

Withdrawal/Redaction Sheet

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001. memo	Grunwalk, Eskew & Donilon to DNC (1 page)	05/23/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
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FOLDER TITLE:

Health Care - Advertising [1]

2013-0534-S

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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May 25, 1994

Ms. Melanne Vermeer.

R

There must be tremendous financing behind the "Lewin Coalition", this kind of mailing has been arriving every month.

I liken it to the NRA with the arms manufacturers behind them.

To win you must identify the opposition and expose the profit motivation.

Sincerely,
J. Osias.

Say -
sent
reply
dated
6/17/94

Jack I. Osias
129 Edwards Rd.
Cheshire, CT 06410

→ ADS
→ CON



The Government is proposing to make it illegal for you to smoke in your own home anytime a workman or repairman visits. It's part of a massive effort to prohibit smoking that will allow the Government to make decisions for individual citizens that have always been matters of personal choice.

“COME OUT SLOWLY SIR, WITH YOUR CIGARETTE ABOVE YOUR HEAD.”

The situation above may seem implausible at first. But right now, the Government is trying to compare cigarettes to heroin and cocaine. They are also proposing to entirely prohibit smoking in public places, company cars, trucks and any place of business entered by ten or more people a week.

These same proposals could also affect your private home as you could be forbidden to smoke anytime a workman or repairman visits. In addition, a cigarette tax increase of 300% is being considered.*

This is nothing less than an attempt at tobacco prohibition, something that will have serious implications for Americans.

Earlier this year, the Canadian Government was forced to rollback the exorbitant cigarette tax they introduced just two years ago. Organized criminal gangs controlled a huge smuggling market, creating a climate of fear and violence throughout the country.

California, which raised its cigarette taxes to fund health education, reports that 7% of the entire tobacco market consists of illegal cigarettes.** Higher taxes will only make things worse.

Despite the Government's denials, the proposed tax increases and the avalanche of other anti-tobacco legislation are all simply forms of backdoor prohibition. Has the Government given any thought to the consequences?

This opinion is brought to you in the interest of an informed debate by the R.J. Reynolds Tobacco Company. We believe that the answer to most smoking issues lies in accommodation, in finding ways in which smokers and non-smokers can co-exist peacefully. For further information please call 1-800-366-8441.

TOGETHER, WE CAN WORK IT OUT

*House of Representatives bill No. 3434 and Dept. of Labor, OSHA Docket No. H-122, Indoor Air Quality, Proposed Rule, 4/4/94. See H.R. 3600 and S.1757 **California State Revenue Board.

Nat'l Journal 8/20/94

Gathering Storm

Only four years after Iraq invaded Kuwait, the Persian Gulf war seems as faded a memory as the long-ago D-day invasion of France. The oil-rich Gulf remains the most likely post-Cold War arena for future U.S. combat, however, and the American military is planning accordingly.

BY DAVID C. MORRISON

For all of the intense excitement and foreboding it aroused at the time, oddly enough, the Persian Gulf crisis that erupted on Aug. 2, 1990—four years ago this month—when Saddam Hussein's Iraq swallowed Kuwait in a single gulp seems today as distant a memory as the D-day invasion of France, a half-century ago.

It seemed at the time, though, as if a major conflagration were in the offing. Over six anxious months, the United States poured 540,000 troops into the Gulf region, arming them with 2,000 tanks and 1,800 aircraft. No fewer than 27 other nations contributed forces to confront what was billed as the world's fourth-largest military power, honed by its just-concluded decade-long war with Iran.

When the gathering clouds of Operation Desert Shield gave way to the thunder and lightning of Desert Storm on Jan. 17, 1991, however, "the mother of all battles" simply wasn't. In 42 days, the U.S.-led coalition trounced Saddam Hussein's demoralized troops in a stunningly one-sided victory that exacted remarkably few U.S. and allied casualties.

George Bush, "the Liberator of Kuwait," has since been exiled to Houston. Bill Clinton may have seized Bush's seat in the Oval Office, but "S-a-a-a-dam," Bush's nemesis, continues his harsh reign in Baghdad.

Even so, we don't really hear much today about Iraq or the Gulf. In January 1991, 40 per cent of Americans queried by the Public Opinion Research Center cited foreign affairs as America's "most important problem." Only four months later, merely 2 per cent placed the Middle East (and but 3 per cent, foreign affairs) in that category. Headline ink, meanwhile, has been soaked up by a round of crises in Bosnia, Haiti, Rwanda and Somalia.

However perplexing they may be to U.S. policy makers, those contingencies are basically sideshows. The Gulf, by contrast, is very much a centerpiece of U.S. military planning. With a long-intransigent Syria on the verge of being pulled into a revitalized Arab-Israeli peace pro-

cess, Iraq and Iran remain the chief villains in the Pentagon's much-diminished post-Cold War rogues' gallery.

In the controversial Bottom-Up Review of future U.S. defense requirements completed last fall, the Clinton Administration posited that the United States should be able to wage two major regional conflicts at about the same time. The two notional scenarios, significantly, were an attack across the DMZ by North Korea and a renewed attempt by Iraq to claim its putative 19th province, Kuwait.

"Neither of these scenarios should be regarded as a prediction of future conflicts," the Defense Department warned in a report earlier this year. The Korean standoff has grown potentially more perilous in the wake of North Korea's much-decried drive to acquire nuclear weapons and the death of its Great Leader, Kim Il Sung. But South Korean officials, at least, believe renewed warfare on the peninsula to be unlikely. The Persian Gulf is another story.

Washington's chief national interest in Korea lies in demonstrating U.S. resolve by sticking to its commitment to defend Seoul against Pyongyang. As witnessed by the eagerness of more than two dozen nations to commit troops and materiel to counter Iraq, though, the stakes in the Persian Gulf are much higher. For all of Bush's rhetoric about a New World Order and the moral imperative to repel aggression, the dominant fact is that the Gulf holds two-thirds of the world's proven oil reserves.

According to Fereidun Fesharaki, an Iranian-born oil expert with the East-West Center in Honolulu, Saudi Arabia is the planet's No. 1 oil pumper, Iraq is No. 2 (or was in 1990) and Kuwait is No. 3. Iran and the United Arab Emirates (UAE) vie neck and neck for the No. 4 slot. "Thanks to Iraq, there is a big imbalance [of power] in the region," Fesharaki said. "And when No. 2 invades No. 3 and threatens No. 1, you have a problem."

Some analysts have wondered why that need be a problem for thirsty oil consumers. Whoever controls the Gulf oil fields must peddle petroleum to gain for-

→ ADVERTISEMENTS
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THE WHITE HOUSE

WASHINGTON

16 May 1994

enemies

MEMORANDUM FOR IRA MAGAZINER
MELANNE VERVEER
GREG LAWLER
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JEFF ELLER
LAURA QUINN
LAURIE MCHUGH

FROM:

HAROLD ICKES (115)

SUBJECT:

American Conservative Union Mailing on the
President's Health Initiative

Enclosed is a copy of the recent letter from David A. Keene of the American Conservative Union trashing the President's health initiative.

America's Health Care

A Project of the AMERICAN CONSERVATIVE UNION



P.O. Box 96473, Washington, DC 20090-6473

Your conservative voice in Washington for 30 years

5/94

Dear Friend,

Do you have a few minutes to tell me your opinion of President Clinton's health care plan?

I've enclosed a ballot with 8 questions.

And I want to share your answers with all 535 members of Congress and the national media.

But if for any reason you don't care to participate in this national vote on health care you can return your ballot marked not interested or simply discard your ballot.

Now, I admit I have very strong feelings on the subject.

Personally, I believe that if Congress passes the Clinton plan it could destroy our excellent health care system and wreck our economy.

Many good conservatives and others believe as I do that if Congress passes Clinton's plan it will:

1. lead to massive tax increases
2. impose socialized medicine on America
3. throw our country into a recession
4. prevent you from being able to select your own doctor
5. prevent you from being able to select your own hospital or clinic
6. cause many to wait months or a year for critical operations such as heart surgery
7. lead to rationing of health care (there may be restrictions on what operations or medical treatment senior citizens can have)

-over, please-

8. put a million people out of work (primarily those who own or work in small businesses)
9. lead to an explosion of growth in government agencies, bureaucracy and the power of the federal government
10. greatly increase the size of the national deficit.

And when you include all of the other laws that Clinton has passed or those he wants passed, it all adds up to the biggest power grab ever by an American President.

All of this of course means that many of our freedoms will be lost forever and the power of the government will be massively increased.

In short, Bill Clinton's plan to socialize health care is a disaster for America.

I consider losing our freedoms to government a very frightening proposition, and I think you do also.

Now the proper question is..."what can we do about it?"

I personally believe that Clinton's march towards socialism can be stopped...because there's plenty we can do about it.

In fact, much of Clinton's plans for increasing the size and power of government this year has already either been slowed, watered down or stopped altogether by Conservatives in Congress.

Unfortunately, some of his worst ideas, such as America's largest ever tax increase, have already become law.

But the tax increase passed by just one vote in each house of Congress and some of Clinton's other programs have passed by just a few votes.

So I fully expect the opposition to President Clinton's effort to socialize medicine to be strong and for the vote to be very close.

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And since the vote will be close, that means you can help make the difference.

If you will do just two things today you can play an enormous part in helping ACU prevent the Clintons from socializing America's medicine.

1. Fill out your ballot.

-Return it quickly so I can share the results of the vote with all members of Congress and the national media.

2. Please send a contribution.

-Your contribution will allow us to reach 100,000,000 people and involve them in defeating Clinton's socialized medicine plan.

I feel the choice is clear - there are 2 ways we can change America's health care system.

We can go Bill Clinton's way and pass a 1,300-page law and have the federal government take control of our health care (17% of the economy), have a massive tax increase, have the deficit increase like a skyrocket, lose a million jobs and have the government select your doctor and your hospital and have health care rationed.

And once that happens the entire economy may plunge into a recession or depression.

Or we can take a conservative and traditional American approach and protect, strengthen and improve the greatest health care system the world has ever known. Remember we don't have a health care crisis - we have a health care cost problem. And this cost problem is primarily caused by the government. Today the government pays about 40% of all health care bills.

It was when the federal government began to get heavily involved in health care 30 years ago that costs shot up so high. Therefore, the more the federal government gets involved the more of a mess they will make.

We need to greatly reduce government red tape, increase people's ability to make decisions about their

-over, please

own health care and stop ambulance-chasing slick lawyers from increasing the cost of health care.

But in my view, of the many terrible policies being promoted by President Clinton the absolute worst is his plan to abolish our free market approach to health care, and substitute it with a complete federal government takeover.

That's called socialized medicine.

I feel very strongly that we can stop the government's takeover of our health care, if people like you will help the American Conservative Union (ACU) take immediate and effective action.

ACU is the largest national organization bringing together many of the most effective and best known conservative leaders to lead the battle for limited government.

The American Conservative Union for 30 years has been helping lead the fight for lower taxes, a balanced budget, a strong national defense and reduced government regulations of our lives and businesses.

In the second half of the 1960s after Barry Goldwater's defeat and President Lyndon Johnson's Great Society was on the march, ACU was the Horatio at the bridge providing hope and inspiration for discouraged conservatives and helping stop some of the worst legislation.

In the 1970s a government agency, OSHA, was out of control and destroying many businesses and jobs with massive and oppressive new government regulations and red tape.

ACU brought many groups together and working with conservative members of Congress helped bring the runaway OSHA under control.

In 1977 and 1978 under the leadership of our chairman Congressman Phil Crane, ACU helped lead the national opposition to the giveaway of the Panama Canal.

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Throughout the 1980s ACU was in the thick of the battle to reduce taxes, stop wasteful government spending, strengthen our defense and foreign policy efforts in the battle against Communism.

For over 20 years ACU has sponsored, organized and conducted the national Conservative Political Action Conference (CPAC), America's yearly largest gathering of conservatives. The conference showcases the present and future conservative leaders and helps set the conservative agenda for the next year.

And in the first year of the Clinton administration ACU was on the front lines fighting the liberals' grab for power.

With Senator Bob Dole's help we were able to contact over 25,000,000 people with information about President Clinton's radical agenda.

I firmly believe ACU's activities have helped slow down and perhaps even stop some of the socialist plans of the Clinton Administration.

Now ACU has moved out front to help lead this critical fight against the Clinton socialized health care plan.

ACU is Co-founder of a national health care coalition group called Citizens Against Rationing Health (CARH).

Don Devine, an ACU board member and President Reagan's director of the Office of Personnel Management from 1981-1985 is co-chairman of CARH.

Some of America's largest and most effective free market and conservative organizations have joined this umbrella coalition.

They're meeting regularly to devise strategy and tactics to stop the Clintons' drive to socialize our health care. Town meetings are being held around the country. They're issuing press releases, holding press conferences and lobbying members of Congress.

ACU presently has a staff of bright and

-over, please

professional people and more will be hired as money becomes available.

But ACU's main resources will be directed toward lighting and fanning a fire at the grass roots level.

That's where you come in.

If we are to win this battle it will be because millions of Americans like you decided to stand up and be counted in this historic battle to stop Clinton's socialized medicine plan.

ACU wants to reach 100,000,000 people in the next 6 months through radio, TV and the mail. We hope to sign up 5,000,000 to oppose the Clinton plan.

If ACU can do this we'll win.

But everyone needs to help.

We're certainly counting on you to help us.

Together with our dedicated professional staff I have developed a plan and we're moving forward to put our plan into effect.

I've discussed ACU's plan with other conservatives and they're impressed.

ACU will help lead the battle at the grass roots level.

I and conservative members of Congress will do all we can to stop the Clinton plan in the House and Senate.

But there are about 85 members of the House of Representatives and about 25 Senators who are undecided.

To get a majority of the votes of the middle of the road Congressmen and Senators and those nervous about their reelection, we need the American Conservative Union putting pressure on them back in their Congressional Districts and states.

I want ACU to be able to flood the TV and radio air waves daily with honest health care reform information

and a call for the voters to contact their Congressmen and Senators.

I want ACU to reach at least 100,000,000 voters across America with our message.

I want 1,000,000 cars to bear an anti-socialized medicine bumper sticker.

I hope that every day Congress receives 10,000 or 20,000 or hopefully 30,000 phone calls.

Finally, I need 5,000,000 people to write to ACU saying they support our efforts and will contribute money to ACU to help stop Clinton's socialized medicine plan.

All of these things need to happen to defeat the left wing's grab for power over our lives.

Please give careful thought to how much you can contribute.

Then please write out a check, put it in the enclosed envelope along with your ballot and mail it today or tomorrow.

ACU will send it to all 535 members of Congress.

We will also mail the results of the balloting to national, state and local newspapers, radio and TV stations as well as thousands of political and governmental leaders.

And you can be sure that I'll send President and Mrs. Clinton a copy personally.

So whether you feel you can afford to send \$10 or \$15 or \$25, I assure you it's needed right now and will be immediately put to use in our fight.

However, if you can send \$50 or \$100, I certainly hope you'll do so.

I know some of you can give more than \$100 and I sincerely and strongly urge you to do so.

Send whatever you feel you can afford whether it's

-over, please

-8-

\$10, \$15, \$25, \$50 or as much as \$100 or \$250. ACU will immediately put it to use in the battle against Clinton's attempt to have the government take over our health care.

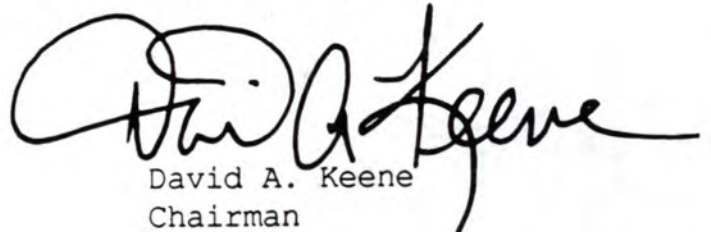
This fight is the most important legislative battle of my lifetime, and I think you might feel the same way.

Let's each of us do all we can.

I'll be in touch with you again soon and I'll be looking forward to hearing from you in the next few days.

Thank you in advance for your support.

Warmest Regards,



David A. Keene
Chairman

P.S. I assure you that we will lose this battle in the Congress unless we get the support of people like you at the grass roots level. We're counting on you - please help. Rush your check and your ballot to ACU today.

ACU will mail you a copy of the ballot results as soon as they're available.

America's Health Care

A Project of the AMERICAN CONSERVATIVE UNION



P. O. Box 96473, Washington, DC 20090-6473

Your conservative voice in Washington for 30 years

3905

Ms. Margaret Boepple
17 Elk St.
Albany NY 12207-1002



Dear David,

I agree with you that it's very important to defeat President Clinton's plans to force socialized medicine on the American people.

I've enclosed my contribution to help ACU start and lead a massive grass roots rebellion against Clinton's socialized health plan.

I realize that, based on the experience of every country that has tried socialized medicine including Canada, England and Germany, it will lead America quickly to:

- ◆ massive new taxes
- ◆ at least 1,000,000 more people out of work
- ◆ many more government agencies and bureaucracies
- ◆ rationing of health treatment —particularly for Senior Americans
- ◆ a much higher deficit
- ◆ long waits for life saving operations
- ◆ a recession or depression

ENCLOSED IS MY CONTRIBUTION OF:

- ☐ \$10 ☐ \$15 ☐ \$20 ☐ \$25
☐ \$50 ☐ \$100 ☐ \$250 ☐ \$_____ Other

Please make your check payable to American Conservative Union.

I am also enclosing my survey and I understand that to cover the cost of printing, distributing, tabulating and circulating the results I should enclose a contribution.

I understand you'll mail me a copy of the ballot results when you release them to the media.

Because we lobby on your behalf before Congress, your contributions are not tax-deductible.

Health Care Survey

Registered National
Opinion Survey

Issue: President Clinton's Health Care Plan
Survey Registration No: 399J4

For Office Use Only

IMPORTANT! Please Read: This survey is designed to assess the position of conservative Americans on the issue of nationalized health care as it relates to President Clinton's plan. Your individual answers are confidential and only the tabulated results of all surveys received will be released. Check the most appropriate answer to each question and return it to ACU in the enclosed envelope. If for any reason you don't care to participate in this national vote on health care, you may return your ballot marked not interested.

1. Are you willing to turn all of your future health care needs over to the federal government?

☐ YES

☐ NO

—over, please—

America's Health Care

2. Do you trust the federal government to select your doctor, your hospital and your insurance company for you?

☐ YES

☐ NO

3. Are you satisfied with your present health care?

☐ YES

☐ NO

4. Do you trust the President and Congress to improve your health care and at the same time not increase your costs and not increase your taxes?

☐ YES

☐ NO

5. Do you believe that the government will impose massive new taxes to pay for President Clinton's health care plan?

☐ YES

☐ NO

6. Do you believe that the federal government should take control of all health care in America?

☐ YES

☐ NO

7. Both conservatives and liberals are describing Clinton's health care plan as socialized medicine.

☐ Socialized medicine is a good idea.

☐ Socialized medicine is a bad idea.

8. If President Clinton's 1,300 pages of health care changes are put into law, do you think that you personally will be better or worse off?

☐ I'll be better off

☐ I'll be worse off

☐ I don't know

**PLEASE COMPLETE AND
RETURN THIS SURVEY ALONG
WITH YOUR CONTRIBUTION
TODAY!**

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The New York Times

November 12, 1992, Thursday, Late Edition - Final

SECTION: Section A; Page 1; Column 1; National Desk

LENGTH: 3303 words

HEADLINE: Fear in the Mail -- A special report.;
Alarmed by Fund-Raiser, The Elderly Give Millions

BYLINE: By ERIK ECKHOLM

BODY:

"All the Social Security Trust Fund Money Is Gone!" screamed the official-looking envelope received by millions of elderly Americans earlier this year.

The letter inside called for emergency action to halt "the enormous fraud that has taken place at your expense" and asked for \$5 in membership dues, and an extra \$5 or \$10 or \$15, so the United Seniors Association could keep on "fighting hard in the nation's capital to insure the rights and benefits of America's seniors are protected."

It is the minimalist approach to public advocacy. United Seniors, to which hundreds of thousands of retirees have contributed millions of dollars over the last year, has no lobbyist and its directors are experts in fund-raising, not in the problems of the elderly. Nearly all its proceeds are used to send out still more letters seeking more donors, usually with language that critics describe as misleadingly frightening.

That letter was signed by George L. Murphy, former Republican Senator from California and, until his death in May, honorary chairman of United Seniors, a new nonprofit, tax-exempt advocacy group.

As those who sent money learned from the strident solicitations they have received monthly ever since, the actual chairman of this seeming bulwark of Social Security and Medicare, the largest Federal benefit programs, is the archconservative Richard A. Viguerie.

A leader of the New Right movement that helped put Ronald Reagan in the White House and has clamored for a balanced Federal budget, Mr. Viguerie remains a familiar source of stinging commentary. He is best known as a pioneer and master of direct-mail fund-raising, which he says he devotes to the conservative cause.

Master at Raising Money

But a detailed examination of Mr. Viguerie's recent turn to the elderly for money shows him to be a master, above all, at generating new revenue for his cash-starved personal business, now called Viguerie & Associates.

Since 1989, in a pattern that experts in philanthropy say raises serious questions about Mr. Viguerie's motives, he has either created or worked for at least four different advocacy groups that have bombarded the elderly with tens

The New York Times, November 12, 1992

of millions of solicitations, generating millions of dollars in fees for his private companies.

Twice he set up his own groups that competed with the organizations that bought his direct-mail services, possibly undermining his clients by soliciting many of the same retirees on exactly the same issues.

Mr. Viguerie did not respond to numerous requests over a two-month period for comment, including messages left with members of his staff by telephone and in person noting that his business practices were being criticized.

In his advocacy for the elderly Mr. Viguerie appears to have followed the letter if not the spirit of the generally lax Federal and state laws covering tax-exempt advocacy groups, which according to Internal Revenue Service regulations must be dedicated to a social purpose. Devoting most resources to mailing, for example, is legal because the I.R.S. allows advocacy groups to count the messages in their letters as public education.

But Mr. Viguerie's new dedication to helping old people appears to have been pursued in a manner filled with potential conflicts of interest, in operations that seem, above all, to generate money for his indebted private enterprises.

Mr. Viguerie's organizations use nearly all of the donations they receive to send out still more letters, and in the process spread large sums among list-renters, letter-writers, printers, mailers and other subcontractors, always including Mr. Viguerie himself.

In the case of United Seniors, Mr. Viguerie founded and directs an organization that takes advantage of the large postal subsidies available to tax-exempt groups to send what critics in Congress call freight mail. The group, in turn, spends hundreds of thousands of dollars a year to rent the mailing lists that his for-profit company compiles and maintains.

'It's a Sweetheart Deal'

"It's a sweetheart deal," said Kenneth Albrecht, President of the National Charities Information Bureau, a watchdog group in New York. "He is using a nonprofit to make money for his own company."

Mr. Viguerie's activities show how easily charities and fund-raisers can tap popular passions and public subsidies for private gain by subtly manipulating the fund-raising operations in ways that are difficult for donors or government regulators to detect.

The examination of his activities, which included review of dozens of financial documents and contracts and records of lawsuits as well as interviews with numerous current and former employees, has also provided an unusually detailed portrait of the fund-raising tactics followed by Mr. Viguerie and several proteges, who make up a significant subsector of the fund-raising industry. Many direct-mail companies subscribe to a code of ethics that prohibits many of Mr. Viguerie's practices.

The Organization

Odd Mission For Conservatives

The New York Times, November 12, 1992

United Seniors, Mr. Viguerie's latest group focusing on the elderly, raised \$2 million in the last four months of 1991 and now claims 350,000 contributors. It is one of a handful of groups that are peppering the nation's elderly with ominous news of the latest "threat" to their Social Security and Medicare benefits, always with a request for money.

The United Seniors board and executives consist entirely of direct-mail experts and people active in conservative causes, almost all of them former Viguerie employees. The group says the alarms sounded by its mailings are its main contribution to political change.

Tying conservatism to the defense of mandatory spending programs for the elderly turns political tradition upside down. Conservatives have long derided Social Security and Medicare as bordering on socialism. As recently as 1983, Patrick J. Buchanan, whom Mr. Viguerie has championed for President, called for making Social Security voluntary; Mr. Murphy, as a Senator in 1963, voted against the creation of Medicare.

But in the last four years, as angry and frightened retirees were catalyzed by a Medicare tax and emerged as large donors, Mr. Viguerie emerged as a stalwart defender of elderly benefits. He links the fate of these programs to the more traditional conservative goal of slashing the rest of the Government, so there will be more money left for the elderly. Recently, he has also crusaded against applying any income test to receivers of elderly benefits.

Bipartisan Criticism

Members of Congress from both parties and officials of the Social Security Administration say United Seniors and similar groups are preying on vulnerable old people with statements that distort the problems facing Social Security and Medicare, especially by exaggerating the threat to current retirees. Some charge Mr. Viguerie with cynical opportunism.

"If conservatism isn't selling very well, and the deadly Commie menace is dried up, then let's find some other trouble in River City," is how Representative Andy Jacobs, Democrat of Indiana, characterized Mr. Viguerie's motives. Mr. Jacobs's subcommittee on Social Security held hearings on United Seniors and several other groups this spring.

"The motive of these groups is to raise money," said Jim Bunning of Kentucky, a Republican on the subcommittee. Congress has acted to outlaw advocacy letters that mimic official Government correspondence, but cannot regulate the way they express their views.

Steven J. Allen, the editor of the United Seniors newsletter, who spoke on behalf of the organization, said, "These politicians from a corrupt Congress who criticize us are politically motivated, on a witch hunt."

He said it was the spendthrift Congress, not the statements of United Seniors, that people should be afraid of, and he portrayed his group as a harbinger of a new conservative movement.

The Business

A Lot of Money Is Churned Up

The New York Times, November 12, 1992

Mr. Viguerie arrived at his dedication to the elderly by a roundabout path that started in 1980. That year Mr. Viguerie, who in the 1970's became famous as a fund raiser, joined forces with a politically ambitious, conservative school board president in Mobile, Ala., who wanted to take his appeals for traditional values in education, school prayer and money to a national audience. The official, Dan C. Alexander Jr., had formed a nonprofit group called the Taxpayers Education Lobby.

Both of them got something they wanted. With Mr. Viguerie's direct-mail help, the schools group received donations from hundreds of thousands of citizens over a decade. Mr. Viguerie, in turn, got a contract filled with exceptional advantages for a hired fund raiser.

Most charities rent lists of names and addresses from a wide variety of sources, and build a roster of members to whom they then turn for repeat donations. Groups often rent out their rosters to others, but try not to let their contributors be flooded with directly competing requests.

In this case, Mr. Viguerie gained total control over his client's donor list, which was gathered at the client's expense. The fact that these people had recently made a donation made their names valuable commodities in the mailing-list marketplace.

The education lobby could send repeat letters to its own donors, but under the contract could not rent out their names. Mr. Viguerie, in contrast, had the right to make any commercial use he wanted of the group's donor list. He could use it to replenish his company's lists, which he constantly rented out to other groups and businesses for profit. He could rent the lobby's member names to competing charities, or use them for mailings of his own. (Lists of people who make actual contributions are typically rented for about \$8,000 for a single use of 100,000 names.)

Unusual Advantages

In another unusual feature of the agreement, Mr. Viguerie owned the language in the letters themselves, which he developed at the group's expense, and he later gained control over selection of all subcontractors.

The list control and other provisions of this contract would constitute "a categorical violation of our ethical rules," said Robert Tigner of the Association of Direct Response Fundraising Counsel. That organization, to which many direct-mail companies, but not Mr. Viguerie's, belong, has set guidelines for the industry.

"This was a cash cow for Viguerie," said Denison Hatch, editor of the newsletter "Who's Mailing What" and a direct-mail expert.

Receiving fees for every letter sent, Mr. Viguerie benefited from large, expensive mailings even when there was little chance they would pull in donations. When the contributions fell short, as they often did, the education lobby fell into debt to Mr. Viguerie. The solution to this was more mailing.

It is common for new charities to go into debt initially, but in this case the debt reached \$847,000 by 1989, after nine years.

The New York Times, November 12, 1992

In the strange economics of direct mail, such debts did not necessarily mean that Mr. Viguerie was losing money. Nor did it mean that the education group's chief, Mr. Alexander, was necessarily unhappy. His organization, though virtually under Mr. Viguerie's control, still received thousands of dollars each month out of the donations to cover salaries and expenses.

A New Issue

Fear Is Turned Into Contributions

In early 1986 the Taxpayers Education Lobby, which was collecting \$1 million or \$2 million, depending on the year, moved from Alabama to Mr. Viguerie's offices in Falls Church, Va.

As it turned out, Mr. Alexander had reasons of his own for leaving Mobile. In late 1986, Federal prosecutors there indicted him for extorting kickbacks in school construction projects between 1974 and 1983. He was convicted and ultimately served 51 months of a 12-year prison sentence, leaving his wife, Fay, in charge of the education lobby.

In early 1987, just before Mr. Alexander entered prison, Mr. Viguerie, his own company struggling with a decline in conservative giving and disastrous investments, met with Mr. Alexander to amend their contract. Henceforth Mr.

Viguerie was entitled to four debt-reduction mailings each year, in which the net proceeds would be used to pay off the education lobby's accumulated debt to his company.

In July 1988 Congress provided a plump new target that would draw Mr. Viguerie and Mr. Alexander's organization into a far more lucrative solicitation of elderly Americans. Congress passed the Medicare Catastrophic Coverage Act, creating insurance for major illness that was financed with a new, graduated surtax on the more affluent Medicare recipients.

As word of the new tax spread among the elderly there was an explosion of protest. Mr. Viguerie arranged for the Taxpayers Education Lobby to do a test mailing, with a letter that critics said was deceptive in its suggestion that all retirees, rather than a minority of the better-off, owed a large new tax. The response was excellent and the education lobby formed a new group, the Seniors Coalition Against the Tax.

With its new mission, the organization's income jumped in one year from \$1 million to \$4 million, according to its tax returns. But Mr. Viguerie, while managing that effort for large fees, formed a nearly identical, competing group of his own, sending similar high-pressure letters on the same issue and generating a second stream of donations, this time entirely in his hands.

Some in Congress Are Angry

In October 1989, a chastened Congress repealed the new insurance and tax. Angry lawmakers lashed out at several groups for what they described as a campaign of misinformation conducted for profit. In a hearing, Senator Daniel Patrick Moynihan of New York, chairman of the Senate subcommittee on Social Security, condemned a new brand of fright mail that "can terrorize, even constitute an assault of sorts, on, say, the 80-year-old widow living alone who doesn't have anyone to tell her it isn't so."

The New York Times, November 12, 1992

Senator David Pryor of Arkansas, head of the post office subcommittee, said in a hearing that Mr. Viguerie and his associates "appear to be opportunists who may have acted on the very fringe of the law -- and at the expense of those for whom they claim concern."

A Network

A New Generation Of Fund Raisers

The tax repealed, the schools group originally from Mobile, Ala., continued nevertheless. The Seniors Coalition raised \$9 million in 1990 and \$8 million in 1991, but large debts to Mr. Viguerie persisted.

"It was like the Wizard of Oz," recalled a person who was involved and spoke on condition of anonymity. "He kept the checks coming in, and he would say to pay no attention to that deficit, to that man behind the curtain."

In early 1990, Mr. Viguerie once again created competition for his client. Millions of elderly people, including Seniors Coalition members, began receiving letters from the Retired Americans Legislative Lobby, Inc.. "I need your immediate help to stop the Government from 'stealing' our Social Security Funds," pleaded its national chairman, George Murphy, whom Mr. Viguerie had hired.

This new organization led Mr. Viguerie to a different questionable maneuver. It was incorporated as a for-profit company, with Mr. Viguerie as sole owner, and intended to combine advocacy with programs like travel services. But little more than a year later, the retired Americans lobby was more than \$1.1 million in debt, including \$162,000 owed to Mr. Viguerie's business.

In 1991 the company's assets and liabilities were taken over by the United Seniors Association, a new nonprofit group Mr. Viguerie had started. Offsetting the \$1.1 million burden of debt with which it was born, according to a United Seniors financial statement, was the transfer of the retired Americans lobby's mailing list, asserted to have a comparable market value.

This high valuation of the mailing list was unusual and open to question, especially since creditors held claims against the list, according to experts in philanthropy. What is definite is that donors to United Seniors have provided money to pay off some of Mr. Viguerie's debts, including to his own companies. "The nonprofit he heads is pulling his profit-making company's chestnuts out of the fire," said Mr. Albrecht of the charities information bureau.

Conflicts

Allegiances Hard to Pin Down

The United Seniors Association in action is replete with conflicting interests.

In principle, tax-exempt advocacy groups are headed by independent directors who see that resources are devoted to the cause. Mass mailings generally hold the potential for abuse. They involve the frequent borrowing and spending of hundreds of thousands of dollars, and decisions about when, what, and how often to mail can easily be tilted to maximize income of list renters and mailers rather than the charity.

The New York Times, November 12, 1992

United Seniors does not have a standing contract with Mr. Viguerie's direct-mail company, but it does regularly rent lists of potential donors from the firm. Rental fees to Mr. Viguerie in late 1991 alone totaled \$199,000, according to the group's financial statement.

All such transactions are conducted at arms' length, Mr. Allen said, and at market rates. But in this case the arms appear to be inherently short, raising questions about where loyalties would lie when the financial needs of Mr. Viguerie's nonprofit group and his for-profit company differed. The United Seniors board consists of Mr. Viguerie as chairman, and four close business associates or friends.

It also appears that at least one director of United Seniors has been paid simultaneously by that group and Mr. Viguerie's company. Speaking through Mr. Allen, the director, Sandra Butler, president and treasurer of United Seniors, refused to say whether she or other officers had dual financial allegiances. But in a Dec. 3, 1991, document dated Dec. 3, 1991, reorganizing Mr. Viguerie's private companies Ms. Butler, who had supposedly been working full time with United Seniors since its incorporation the previous May, signed as an officer of Viguerie & Associates.

Invented Direct Mail

Asked about United Seniors' extensive reliance on lists owned by its chairman, Mr. Allen said: "We have available to us the person who invented direct mail. It would be foolish not to use those resources."

On Jan. 1, as United Seniors was expanding its operations, an angry Taxpayers Education Lobby/Seniors Coalition canceled its fund-raising contract with Mr. Viguerie. He responded with a lawsuit, asserting that under the 1980 contract the group owed him nearly \$550,000, plus five cents for every letter it continued to send using ideas his company had developed.

In reply, the organization said Mr. Viguerie's company had "breached its obligation of good faith, loyalty and fair dealing" by "entering into direct competition" with it and "using and abusing the names" of its donors. But Mr. Viguerie, with a written contract, had the upper hand and under a private settlement he is receiving \$600,000, according to people involved.

Now, as part of that settlement, donors to the Seniors Coalition are unknowingly sending \$4,000 every week to Mr. Viguerie. He also received a copy of the Seniors Coalition donor file, updated as of March 31.

And now, Mr. Viguerie is apparently starting yet another nonprofit organization that will solicit the nation's elderly on much the same issues, churning more money through his companies. In a test letter recently prepared by Viguerie & Associates, former Senator Edward J. Gurney, a Florida Republican, warns on behalf of a new group called the 60/Plus Association that "the Government is now cheating seniors -- by taxing them on their Social Security benefits!"

GRAPHIC: Photos: Samples of fund-raising letters sent to millions of elderly Americans this year by the United Seniors Association, a new nonprofit, tax-exempt advocacy group. Nearly all of the group's income has been used to send out more mailings. (Naum Kazhdan/The New York Times); Richard A.

TO: Meeghan
FROM: JACKIE

AM-Health-Letters, 1st Ld-Writethru, a0678,630

Eds: Subs 2nd graf to CORRECT 'salesman' to 'salesmen.' Adds 1 graf with Pryor's response to claims of a political attack.

Direct Mail Operations See Health Care Reform As Next Big

Money-Maker

By JENNIFER DIXON-

Associated Press Writer-

WASHINGTON (AP) Two organizations being investigated by postal inspectors have seized on President Clinton's health reform plan to send a new round of letters that solicit money and warn that health care for the elderly could be rationed.

The groups' direct-mail operations also are under fire from Sen. David Pryor, D-Ark., who called them modern-day snake oil salesmen who use falsehoods and scare tactics to 'agitate seniors.'

'They seek to prey upon seniors' uncertainty about health care reform,' Pryor said Thursday. 'Like sharks, when these groups sense fear, they attack.'

Both groups United Seniors Association Inc. and The Seniors Coalition sent thousands of letters recently to senior citizens asking for donations and suggesting that retirees' medical benefits could be rationed under the president's health care plan.

Spokesmen for the two Fairfax, Va., groups, defended their recent mailings Thursday and suggested that Pryor is attacking them for political reasons. Both represent a conservative point of view, while Pryor is considered one of Clinton's closest friends in the Senate.

'These are questions that need to be addressed before we go and completely trash our health care system,' said Jake Hansen, director of government affairs for The Seniors Coalition.

A recent letter from the Fairfax, Va.-based group begins this way: 'It's what you don't know about Hillary Rodham Clinton's health care plan that you should be worried about.'

In capital letters, the mailing states: 'SENIORS' MEDICAL CARE AT RISK' and under the heading 'RATIONING YOUR MEDICAL CARE' readers are warned: 'There will be regulators making medical decisions. There will be delays and waiting lines.'

A letter from the United Seniors Association, which is also based in Fairfax, asks readers to help it 'stop Clinton and Congress from destroying the best health care system in the world

in the name of so-called 'reform.'''

Both groups are under criminal investigation by the Postal Inspection Service, postal inspector Larry Fryer said Thursday.

Fryer declined to describe the scope of the investigation, but said the FBI is working with the Postal Inspection Service in its probe of the Seniors Coalition.

Hansen said the Seniors Coalition's lawyers have been assured that the group is not a target of the investigation. He said the investigation focuses instead on the activities of someone who used to be associated with the group.

'If something has changed, we're not aware of it,' Hansen said.

Steven Allen, director of communications and public policy for United Seniors, said the group hasn't heard from the Postal Service since Jan. 14 and 'we consider the matter closed.'

Both Allen and Hansen complain that they are under attack from lawmakers because of their groups' conservative politics.

'Most of this is an ideological battle,' said Hansen. 'Sure, they'd love to shut us up just because we are a pain in the neck on this issue.'

Allen accused Pryor of 'intimidation' and said the senator, the chairman of the Senate Special Committee on Aging, has said things about United Seniors that are 'demonstrably not true.'

But Pryor contends the groups are 'predators' who are 'gearing up to profit by scaring seniors about a new target: the president's health care reform plan.'

'With a major health care plan on the table, and the all-too-human tendency to fear change, we can expect an explosion of appeals from just such con artists,' Pryor said.

In a speech on the Senate floor, Pryor said he has no problem with those who hold differing views on health care but objects to those who 'exploit seniors' legitimate concerns about health care to feather their own nest.' He also said Clinton's health care plan does not call for rationing health care.

SENATOR DAVID PRYOR

TWO SENIORS ORGANIZATIONS EXPLOITING ELDERLY ON HEALTH CARE REFORM, PRYOR CHARGES

WASHINGTON -- Sen. David Pryor, D-Ark., Thursday accused the Seniors Coalition and United Seniors Association, Inc., of exploiting the health care reform issue through scare tactics and falsehoods aimed at raising money from older Americans.

"I have no problem with those who hold differing views on health care reform," Pryor said in a speech to his colleagues. "I do object, however, at those who exploit seniors' legitimate concerns about health care to feather their own nest."

"I strongly advise people to keep their wallets closed unless they know exactly who is behind any request for funds that they receive," the senator said.

Pryor, who is chairman of the Senate Special Committee on Aging as well as the Senate subcommittee that oversees the Postal Service, said the Seniors Coalition recently mailed thousands of seniors a so-called "special report" on President Clinton's health-care plan.

"It is full of distortions and falsehoods designed to agitate seniors," Pryor said. He said the group's real purpose was contained in a line in the report that read: "So we can continue this campaign to reach other seniors in your area and across the country, please help us financially."

Meanwhile, the United Seniors Association, Inc., mailed a fundraising letter attacking health care reform.

Pryor cited a recent National Journal article which reported that two federal grand juries have subpoenaed documents relating

to the Senior Coalition's founders to see whether they used the nonprofit, tax-exempt group for personal gain. According the National Journal, A U.S. attorney in New York City is looking into Richard Viguerie, a direct-mail fundraising pioneer and a founder of the Seniors Coalition and the United Seniors Association Inc.. Meanwhile, a U.S. Attorney in Eastern Virginia is reportedly looking into Dan and Fay Alexander, who started the coalition with Viguerie. The FBI and the U.S. Postal Inspection Service also are reportedly involved in the Virginia investigation.

Pryor noted that Dan Alexander already has been convicted and served four years in prison for extorting kickbacks in school construction projects. Viguerie and Alexander teamed up in 1980 to raise millions of dollars through direct-mail appeals for school prayer and conservative education policies.

The Seniors Coalition last year continued to pay Mr. and Mrs. Alexander \$23,000 a month, while their teen-age daughter was listed on the group's tax returns as its president from 1989 to 1991. When the New York Times asked Mr. Alexander about this, he said he hired his daughter because "it was hard to find outsiders of any stature to serve on the board in view of his criminal record."

Pryor said the mailing by the Seniors Coalition makes four false claims:

-- That the president's plan would ration health care. Pryor said that was particularly untrue for seniors, who would have the option of remaining in Medicare.

-- That the Clinton plan limits seniors' choice of doctors. Both under Medicare or under the Clinton plan, Pryor said, seniors would be guaranteed their choice of doctors.

-- That the Clinton plan compromises patient confidentiality. Pryor said Clinton has "spelled out in great detail" privacy protections, while Congress has already begun hearings to find ways to ensure such protection.

-- That the Clinton plan would lead to new personal taxes and a national sales tax. "The president has specifically rejected a new broad-based tax," Pryor said.

"Apparently, the Seniors Coalition believes the bigger the falsehood, the more money they can filch from those who can least afford it," the senator said.

tuated from a high \$60 per gallon in 1979, to a low of \$25 per gallon at the end of 1986.

On average it required 110,000 BTU of gas to make one gallon of methanol. Older plants tend to require more gas per gallon of methanol, while new plants require less. (Note: The Methanol Plantship will require 47,000 BTU to make one gallon of methanol.) Thus, this average will decrease somewhat as market size increases. As we have said, the two major factors that impact methanol prices are capital requirement and feedstock cost. Cash methanol production cost for existing producers are projected to be \$131 per MT in 1997. In the first year of Methanol Plantship production (1977) cash operating costs will be approximately \$71 per MT. During the first fifteen years of operation the highest cash operating costs incurred by the Methanol Plantship will be \$77 per MT. Over the same period, U.S. Gulf cash methanol production cost are projected to escalate to \$217 per MT. This difference is largely attributable to the fact that Yankee Energy will have access to an independent gas market from which it can obtain a long term, fixed price gas contract.

The current contract price for methanol in the commodity market is \$44 delivered to the U.S. Gulf port. U.S. Gulf Coast selling prices are forecasted to fluctuate between 25% and 50% of cash costs, which are projected to escalate conservatively, at three percent per year, over the next fifteen years. This projection assumes conservative MTBE market growth.

Clearly, the Methanol Plantship project has tremendous potential to succeed in the present methanol market. That the culmination of two decades of project and design development should come to fruition just as the methanol market begins a period of sustained growth, is the kind of auspiciously good timing that is characteristic of the most lucrative investments.

Mr. WARNER. Madam President, I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. Madam President, the managers of this bill have conferred with the authors of the amendment, and we are prepared to accept it.

Mr. WARNER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Madam President, I do not have any dog in this issue.

Mr. WARNER. Madam President, I am not able to hear the Senator.

Mr. PRYOR. Madam President, the Senate is not in order and it is very difficult to hear. There are a lot of conversations.

The PRESIDING OFFICER. I once more ask that the Senate be in order. Senators are having a difficult time following debate.

The Senator from Ohio.

Mr. METZENBAUM. Thank you, Madam President.

I am just sitting here on the floor, and suddenly I hear we are about to spend \$4.6 million for a project that sounds on its face as if it has a good deal of merit. But the fact is there are 100 Members of this body, and my guess is not more than 5 know what we are talking about. We talk about it as if it was quite insignificant; it is only \$4.6 million. It has not gone through the

authorizing committee, which is the appropriate way for it to go.

I just want to stand here, not to debate this at length, because I know nothing at all about this subject. It may be the most wonderful project in the world. But some in this Senate, and I do not particularly direct my comments to the author of this amendment, always are willing to provide dollars out of the Federal Treasury for experimental projects in their own area, special projects in which they have a concern, saying, well, it is only a little bit of money. I am frank to say a little bit of money here and little bit of money there adds up to a lot of money.

I am not going to stand here and oppose my colleague and friend from Virginia on this issue, but I just could not sit here relaxedly and sit back and say, well, it is OK, it is only \$4.6 million, and it is being offered by a prominent, well-respected, fine Member of the U.S. Senate.

I just think that is not the way for us to proceed. I will not object if the manager of the legislation wants to accept the amendment. I will not object to his doing so. But I do object to the procedure. I do not think this is the way the Senate ought to conduct its business. I believe that we fight too hard to find dollars for needed projects throughout the country. I do not know whether this is needed or unneeded, but I am sure this is not the way it ought to be handled.

Under those circumstances, I will leave it up to the manager, who I understand is prepared to accept the amendment, and I will not stand in his way of doing it.

The PRESIDING OFFICER. Is there further debate?

The Senator from Hawaii.

Mr. INOUE. Madam President, for the record, if I may respond, this is a project under the Advanced Research Projects Agency of the Defense Department. ARPA has been in business for many, many years now, and they have many projects of this nature. This is part of the Defense Conversion Program which has been authorized for the past 2 years.

As I indicated, the managers are willing to accept this amendment, and we will very definitely discuss this with our House counterparts when we go into conference.

The PRESIDING OFFICER. Is there further debate?

Hearing none, the question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment (No. 1078) was agreed to.

Mr. INOUE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized.

Mr. PRYOR. Madam President, I thank the Chair, and I thank the distinguished managers of the bill for allowing me a period of 10 minutes to discuss an issue that I think is of great importance.

DECEPTIVE SENIOR ORGANIZATIONS

Mr. PRYOR. Madam President, earlier this year I introduced a bill on this floor to combat deceptive mailings that are often aimed at elderly Americans. Today, the same breed of predators are gearing up, once again, to profit by scaring seniors about a new target: the President's health care reform plan.

Their new appeals to seniors are full of falsehoods and scare tactics, all motivated by greed. They seek to prey upon seniors' uncertainty about health care reform. Like sharks, when these groups sense fear, they attack.

Madam President, let me explain with an example. I have heard from older Americans who have received letters from a group calling itself the Seniors Coalition. Seniors are calling our office—the Special Committee on Aging and our personnel office—to ask if this is a respectable organization, and one which has their interests at heart. What they do not know is that according to a National Journal article, its founders are now under investigation for fraud by the Federal Bureau of Investigation, two U.S. attorneys, New York's State attorney general, and the Postal Inspection Service.

Madam President, I must say that the Seniors Coalition has only one major interest: taking money from senior citizens. Its organizers operate at the expense of the very people for whom they claim concern.

The Seniors Coalition recently mailed to thousands of seniors a so-called special report on the President's health plan. It is full of distortions and falsehoods designed to agitate seniors. Before I address these lies—and that is what they are—I would like to read from the report what I think is its real main point: "So we can continue this campaign to reach other Seniors in your area and across the country, please help us financially."

Notice their own words: "Please help us." What the Seniors Coalition will not do is help senior citizens. Seniors should think twice before sending their retirement funds to these modern day snake-oil salesmen.

If seniors have an opinion or concern about health care reform, they can simply put a 29-cent stamp on their own letter and write me or their own Senator or Congressperson.

Before sending a check to the Seniors Coalition or any other group that claims to represent them, seniors need to stop and ask: Who is this group and what are they all about? I think if

more people knew the answers to these questions, they would keep their checkbooks in the drawer.

Take the Seniors Coalition, for example. According to a recent article in the *National Journal*, its founders are being investigated as to whether they used the nonprofit, tax exempt group for personal gain.

Madam President, I will later ask unanimous consent that this article be printed in the *RECORD*.

One of the investigations target Seniors Coalition cofounder Richard Viguerie, a direct mail fundraising pioneer. He is being looked at by a U.S. attorney in New York City. The other investigation is by the U.S. attorney in eastern Virginia. This investigation targets Dan and Fay Alexander, who founded the Seniors Coalition with Viguerie's help. The FBI and the U.S. Postal Inspection Service are also involved in the Virginia investigation.

Seniors may want to ask themselves about the history of some of the groups that ask them for money. The arch rightwing founders of the Seniors Coalition, for example, took a strange path to becoming supposed advocates for large social programs. It began in 1980 when Mr. Viguerie joined forces with Dan Alexander, a school board president from Mobile, AL, who wanted to raise money through appeals for school prayer and conservative policies in education. Both Viguerie and Alexander created the Taxpayers Education Lobby, which churned out millions in donations through direct-mail appeals in the 1980's. In 1986, however, Federal prosecutors in Alabama indicted Alexander for extorting kickbacks in school construction projects. He was convicted and served over 4 years in prison, leaving his wife Fay in charge of the lobbying group.

In 1988, these operators did a test mailing on a new target: the Medicare Catastrophic Coverage Act. The response was overwhelming, and the Alexanders created a new group, the Seniors Coalition Against the Tax, later renamed the Seniors Coalition—which is in business in a big way today, mailing and preaching fear to seniors all across America—the group tapped into a whole new well of contributors: senior citizens, who were their newfound victims of deceit and fear.

While the coalition claims that last year it cut its ties to the Taxpayers Education Lobby, it continued to pay outrageous sums to Mr. and Mrs. Alexander: \$23,000 a month. From 1989 to 1991, the Alexander's teen-age daughter was listed on the group's tax returns as its president. When Mr. Alexander was asked about this by the *New York Times*, he said he hired his daughter because "it was hard to find outsiders of any stature to serve on the board in view of his criminal record."

Madam President, would seniors send their hard-earned dollars to groups like these if they knew what frauds they are? Of course not.

But with a major health care plan on the table, and the all-too-human tendency to fear change, we can expect an explosion of appeals from just such con artists who make their living selling fear.

Another organization that was founded under questionable circumstances by Richard Viguerie, the United Seniors Association, Inc., recently jumped into the fray with its own fundraising letter attacking—you guessed it—health care reform.

There are a number of organizations that legitimately represent senior citizens that are real players in the politics of health care reform.

On the other hand, groups that pose as fronts for the likes of Richard Viguerie, such as Seniors Coalition or the United Seniors Association, are not even in the game. They are widely known in Washington as facades for direct mail fundraisers, so they are not taken seriously. They do not even attempt to be taken seriously. But what they do is extract precious dollars from senior citizens all across America.

Madam President, I have no problem with those who hold differing views on health care reform. I welcome the free exchange of ideas with those who want to debate these issues seriously. I do object, however, to those who exploit seniors' legitimate concerns about health care to feather their own nest.

Because these groups are not part of the process, they can peddle whatever misstatements they want in their efforts to raise funds. Let me respond to the latest irresponsible mailing peddled by the Seniors Coalition.

The letter makes four main points, all of them false. First, it claims that the Clinton plan will "ration health care to the elderly." Nothing could be further from the truth. The plan does not call for rationing care. Even if one were to accept this falsehood, their argument would not apply to seniors, since under the plan they have the choice of remaining in Medicare.

The second falsehood claims that the Clinton plan limits seniors choice of doctors. Again, since seniors can choose to remain in Medicare, there would be no change in their ability to choose their own doctor. In addition, under the Clinton plan itself, all Americans would be guaranteed their choice of doctors.

Third, they claim the Clinton plan compromises patient confidentiality. This is simply not true. Iron-clad privacy protection is a critical element of the President's plan, spelled out in great detail. In fact, Congress has already begun hearings to examine ways in which this protection can be ensured.

Fourth, the mailing is blatant enough to claim that the President's plan will lead to new personal taxes and a national sales tax. Even a cursory reading of daily newspapers should alert seniors to the falsehood of those claims. As everyone knows, the President has specifically rejected a

new broad-based tax. Apparently, the Seniors Coalition believes the bigger the falsehood, the more money they can get from those who can least afford it.

I hope all Americans, and especially older Americans, will be on guard against charlatans such as the Seniors Coalition and the United Seniors Association.

These groups are merely facades for greedy fundraising operations. We can all expect that new groups will spring up with the hope of profiting from fear and uncertainty as we revamp the Nation's health care system.

I strongly advise our citizens to keep their wallets closed unless they know exactly who is behind any request for funds that they receive.

I call upon my colleagues and other, legitimate advocacy groups, to educate their constituencies about groups like the Seniors Coalition. Only by working together can we root out this growing menace to the emotional and financial security of our senior citizens.

I am going to conclude by once again warning seniors all across America to beware of these organizations that are writing them, preaching fear and lies about the President's health care plan.

Further, I ask unanimous consent that a letter from the Seniors Coalition that I quoted from, and also a letter of October 4, a recent air gram asking money from seniors, a letter from United Seniors Association, Inc. seeking money, and also the very splendid article by Peter H. Stone, which appeared in the *National Journal* article of September 4, 1993, be printed in the *RECORD*.

There being no objection, the material was ordered to be printed in the *RECORD*, as follows:

UNITED SENIORS ASSOCIATION, INC.,
Fairfax, VA.

DEAR USA, INC. MEMBER: Please fill out your enclosed dues statements, complete the attached survey, and mail both to me today—along with your \$5 renewal dues.

That's how you can once again do your part to insure we can continue to inform and activate seniors across the nation, and especially, speak out for you in Washington.

Some big senior groups—with their multi-million-dollar federal subsidies—were awfully quiet during debate over the Budget Bill, with huge tax hikes on Social Security benefits and cuts in Medicare.

They either spoke out very "softly" or waited until it was too late to have any real impact on the final vote.

But thanks to you, USA, Inc. fought "tooth-and-nail" for over 7 months to stop the unfair "Senior Citizen Tax" from being part of the Budget Bill. We spent millions of dollars and thousands of hours trying to kill this outrageous tax on seniors.

We even went into debt because these other senior groups sat-on-their-hands and did virtually nothing, so we had to carry a much bigger burden than we could really afford.

And it was not just some of the big senior groups who sat by and let Clinton and Congress try again to reduce their deficits unfairly on the backs of senior citizens.

Seniors themselves in every part of the nation should have risen up in their outrage—

like they did when they forced the Congress to repeal the unfair Catastrophic Health Act.

But many seniors seemed to believe the misleading rhetoric coming out of Washington and the national press.

Thankfully, you and your fellow USA, Inc. Members did not!

Thanks in part to the unselfish support of USA, Inc. Members, we came within a hair's breadth of seeing the Budget Bill go down in defeat—a single vote would have made the difference.

And now we have a 2nd chance to kill the senior citizen tax!

Congressman Jon Kyl and Senator Trent Lott have introduced the senior citizen tax fairness bill (H.R. 2859/S.1408) to repeal the outrageous and unfair tax hikes on Social Security.

USA, Inc. has pledged to do everything we can to help these two courageous leaders get their bill passed.

(Be sure to watch the government-subsidized senior groups to see if they come out in favor of this bill and then really fight to help get it passed.)

And the other big battle in 1994 will be health care reform.

Earlier this year, USA, Inc. co-founded a special coalition called "Citizens Against Rationing Health" (CARH).

Along with other members of the coalition, CARH will hold town meetings, seminars, and other functions across the nation.

CARH's most important goal is to make sure any reforms to America's health care system do not cause any kind of "rationing" of your health care freedoms.

No one in America—least of all seniors—should have some federal bureaucrat telling you which doctor you can use, which hospital you can go to, or what kind of treatment you can have.

And you shouldn't have to wait for months for a critical or lifesaving procedure, just because government bureaucrats have made the system too inefficient and complicated—like they've done in Canada, Sweden, and England.

And that brings me back to my request that you renew your USA, Inc. membership for 1994—and do it today.

You see, unlike some other senior groups, USA, Inc. does not get millions of taxpayer dollars each year in federal subsidies.

We rely completely on voluntary generosity from our Members.

Thanks to the help and support of our Members, USA, Inc. has been able to carry out a series of significant campaigns this year on behalf of seniors all across the country.

USA, Inc. was the first senior group to warn about the dangers of "Means Testing".

Means Testing is based on the outrageous idea that "some" seniors do not "need" their benefits. (Supporters of Means Testing don't seem to care that you've paid Social Security and Medicare taxes almost all your working life.)

We have sent letters explaining "Means Testing" to another 700,000 seniors in 1993 (on top of 1.2 million in 1992), asking them to help us put a stop to the very idea of "Means Testing" before it can gain a foothold in Congress.

We delivered letters to every Member of Congress and the White House—signed by 45,739 seniors nationwide—demanding they oppose any kind of "Means Test" and not cut Social Security or Medicare benefits and not raise taxes.

As soon as the details of Bill Clinton's "economic plan" were revealed—and taxes on Social Security benefits were raised dramatically and Medicare payments to doctors and hospitals were slashed again—USA, Inc. launched a massive media and lobbying cam-

paign to gather support for killing the taxes and cuts.

We mailed over 6,800,000 letters to seniors across the nation (Members of USA, Inc. and non-Members) to mobilize them to turn the heat up on Clinton and Congress over the economic plan that unfairly punished seniors.

Our lobbyists, led by my former Congressman Beau Boulter, spent tireless hours in Congress in one-on-one meetings with key Members of Congress to try and gain the votes we needed to defeat these unfair taxes and cuts.

We ran television ads nationwide and radio ads in 15 key cities to alert seniors to Congress' Social Security tax hikes and massive Medicare cuts. Our ads were geared to pressure several key U.S. Senators to vote against the anti-senior, anti-job, tax-and-spend Budget Bill.

We delivered our 1993 Senior Opinion Poll survey results to every Member of Congress showing that Americans overwhelmingly opposed the special taxes on seniors and preferred spending cuts over tax increases by 14 to 1.

We released to the news media the results of our Senior Opinion Poll and held several news conferences.

These grassroots campaigns—carried out on your behalf—cost a lot, in time and money. With the unselfish help of seniors like you, we have made significant headway in reminding the politicians they can't afford to ignore or take seniors for granted.

We won't fully succeed in a month, or a year. The kinds of battles we fought for you in 1993 will continue in 1994, 1995, and beyond. That's why your 1994 membership issues survey is vital.

USA, Inc. is different from most other seniors groups. We support less government, less wasteful spending, and lower taxes. I believe most seniors in America agree with that. And I believe most seniors don't want hand-outs from the federal government.

But I want your opinions—as expressed through your answers to your enclosed Survey. We will use your answers to guide us in 1994 to the issues we will fight for on your behalf.

Only with your continued support—both moral and financial—can we be strong enough to keep fighting for your rights in the coming year and beyond. Some other senior groups in the country seem to be unwilling to really help keep the federal government off of your back and out of your wallet.

So please complete our 1994 survey and mail it to me today. And don't forget to renew your Membership as well.

Just fill out your Dues Statement and make out your check for your \$5 annual dues.

And if you can afford to do so, please include an additional \$6, \$10, or \$20 to help USA, Inc. serve as your voice in Washington and to your fellow seniors across the country.

You have supported USA, Inc. in the past. Won't you please renew your support in 1994 and help us help you and your family.

If together we can help stop just one plan to cut your benefits or raise your taxes, the \$6, \$10, or \$20 you contribute—in addition to your dues—could easily be returned to you hundreds of times over.

Thank you for renewing your membership and support.

Best wishes,

MICHAEL A. BLAKE,

Executive Director.

P.S.—We'll certainly need your additional help to underwrite the battles we already know we'll have to fight in the first few months of 1994—the senior citizen tax fairness bill and to stop Clinton and Congress

from destroying the best health care system in the world in the name of so-called "reform".

We can't hope to protect your health care freedoms and your Social Security benefits all alone. We need your opinions in your 1994 issues survey. And we need your financial help in the form of your 1994 Membership renewal and any additional amount you can afford to send. Please renew today!

OCTOBER 4, 1993.

DEAR SENIORS COALITION MEMBER: If you listened to the President on September 22, you heard him tell you how wonderful his mandatory, government-controlled Health Care will be. He made it sound like a great idea for everyone, including Seniors.

The fact is it will be a disaster.

1. You will lose the right to freely choose your own physician, or you'll pay a severe financial penalty.

2. As in Canada, England and elsewhere, Health Care for Seniors will ultimately be rationed. There will be long lines for both simple and life-saving operations.

3. Government bureaucrats will be in charge. Health Care will deteriorate. Seniors will suffer the most.

4. Funding for new medicines and new technologies will be slashed. There will be massive cuts in Medicare.

Believe me, this is nothing less than a complete government takeover. Yes, we need changes. But nothing like this. This plan must be stopped.

I need your help immediately. Because of your recent support of The Seniors Coalition, I am writing you first to help me generate immediate opposition in Congress.

Here's what I'm asking you to do:

First, read the enclosed Emergency Communication.

Then, sign your name at the bottom and return it to me. This authorizes me to send it by Overnight Express to every Member of the U.S. Senate and House of Representatives on your behalf.

Finally, please enclose a check for \$10, \$15, \$20 or more to The Seniors Coalition to pay for our emergency campaign to protect Health Care for Senior Citizens in this country.

The emergency communication I'm asking you to sign today is only the first step in our battle to stop a Federal Government takeover of your medical care.

As you read my telegram today, we are actively preparing the largest lobbying campaign in our history to preserve and protect your health care benefits.

In the next few weeks alone we will write to hundreds of thousands of your fellow Seniors asking them to join in this fight.

Our goal is a simple one: to flood each and every member of Congress—all 535 Senators and Representatives—with letters, telegrams and postcards asking them to vote against the Clinton Health Care Plan.

Our staff is already hard at work meeting with key decision makers in the U.S. Congress on this issue. Plus we plan to arrange TV/radio interviews to explain clearly the dangers of this plan to Americans all across the country.

Finally, we are working with other organizations who are united in the belief that Bill Clinton's government-run Health Care plan is bad for you and bad for America.

All of these important lobbying activities require a major commitment of time, effort and money.

That's why I must rely on you and other members to help me raise the money we need.

So please help us cover our costs of this massive lobbying campaign by enclosing a

check for \$10, \$15, \$20 or more to The Seniors Coalition.

Let me emphasize one point. If it represents a real financial hardship I wouldn't want you to send a contribution today. But if you can, please do so now. It is very important you take action to protect the quantity and integrity of your health care and that of your family and friends.

Together we can stop future rationing of your health care and protect your right to freely choose the doctor of your choice. Please, act today!

Sincerely,

JAKE HANSEN,
Director, Government Affairs.

THE SENIORS COALITION,
Fairfax, VA.

AUTHORIZATION FORM

() Yes, I authorize The Seniors Coalition to include the attached Emergency Communication along with the many thousands of others being sent to every U.S. Senator and Congressman via overnight express. I am deeply upset at Bill and Hillary Rodham Clinton's plans to slash Billions of Dollars from Medicare, ration Health Care, take away my ability to choose my own doctor, and have government bureaucrats making my medical decisions for me.

() Yes, I'm enclosing my contribution in the amount checked below to help launch your emergency lobbying campaign to Stop the Clinton Health Care plan and generate opposition in Congress.

() \$ () \$ () \$ Other
Make check payable to: The Seniors Coalition

[EMERGENCY COMMUNICATION]

Via Overnight Express

To: All Members of the United States Senate and House of Representatives.

From:

As a senior citizen, I am going on record as strongly opposing President Clinton's mandatory, government-run health care plan.

His plan will lead to health care rationing, limit my freedom to choose my own doctor, and give government bureaucrats more power to make my medical decisions for me.

While changes must be made, the federal government has no right to take over the health care system in this country. I urge you to oppose the Clinton health care plan and any plan that puts government bureaucrats in charge of the most personal decisions in our lives.

Date:

Signed:

Member, The Seniors Coalition.

THE SENIORS COALITION

The Seniors Coalition, Inc. [TSC] was incorporated in the state of Virginia in 1990. The principal place of business is 11166 Main Street, Suite 302, Fairfax, Virginia 22030 and the phone number is (703) 591-0653. We have a 501(c)(4) classification from the Internal Revenue Service. Our purpose is to foster a national public awareness and understanding of the special concerns, interests, and needs of senior citizens and to develop and promote programs accordingly.

Residents of the following states may request financial statements and other information from the offices indicated (the toll free numbers are for use only within the respective states): Arizona: Financial information filed with the Secretary of State is available for public inspection or by calling toll free 1-800-458-4842. Florida: A copy of the official registration and financial information may be obtained from the Division of Consumer Services by calling 1-800-435-7352, toll free, within the State. Registration does

not imply endorsement, approval or recommendation by the State. Kansas: The Kansas registration number is 06-91-689SC. The annual financial report for the preceding fiscal year is on file with the Secretary of State. Maryland: Copies of documents and information submitted by TSC are available from the Office of the Secretary of State, Statehouse, Annapolis, MD 21401, 1-800-825-4510. New York: New York residents may obtain a copy of our annual report by writing to the Office of Charities Registration, 162 Washington St., Albany, NY 12231. Pennsylvania: A copy of the official registration and financial information of TSC may be obtained from the Pennsylvania Department of State by calling toll free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement. Virginia: Commonwealth of Virginia, State Office of Consumer Affairs, P.O. Box 1163, Richmond, VA 23206 (804) 786-1343. West Virginia: Secretary of State, State Capitol, Charleston, WV 25305. Registration does not imply endorsement. For copies of current financial statements you may send a written request to the address listed above or call TSC directly at the telephone number listed above.

The Senior Coalition, Inc. is a non-profit organization. We are NOT affiliated with, endorse or funded by any government agency, political party or political candidate. TSC represents over 3,000,000 senior Americans. Because we lobby vigorously in support of your rights as a senior citizen, IRS regulations prohibit your contribution from being deductible for income tax purposes. You may ask for a refund at any time, for any reason.

THE SENIORS COALITION,

Washington, DC.

DEAR —: It's what you don't know about Hillary Rodham Clinton's health care plan that you should be worried about.

You see, cloaked in secrecy, mired in double talk and friendly smiles, Hillary Rodham Clinton and her "Task Force" have produced a mandatory government-managed medical plan for every man, woman and child in America.

She touts it as part of a nationwide public relations campaign that unfortunately is paid for by you, the taxpayer.

Yet she reveals little detail. It's all pretty packaging. But you and the public have no real clue what's inside the package or how her health care plan will actually affect you.

Well, The Seniors Coalition has done its homework, and today we're sending this Special Report to you. Read it so you know what the Clintons see for the future of Senior Health Care in America, and for the impact it will have on you and your family.

Then, if you agree this plan must be defeated, we urge you to act.

This report comes to you in three sections:

What the Clinton plan will do.

Your Health Care Survey.

Your Action Postcards.

But before you begin, let me give you this warning: Your future health care is in the hands of Hillary Rodham Clinton and a Congress that just voted to increase taxes on Senior Citizens. I hope you're prepared to fight against what we are about to reveal. This will be a national fight for Seniors' rights.

Hopefully you and other Seniors from every corner of America will let their Senators, Congressman and the President know that: "America's Senior Citizens do not want Government-controlled health care!"

To make sure Congress and the President hear from you, we've enclosed four pre-addressed Post Cards for you to mail today.

And we have a Survey that registers your opinion about the three most important issues you will likely face as a result of Hil-

lary Rodham Clinton's proposed plan. Do you favor or oppose:

(1) Rationing medical health care and limiting access by Seniors.

(2) Losing your right to choose your personal doctor.

(3) Increasing taxes (again!) to pay for a government run program that offers less care, poorer quality and long lines.

When you finish reading your report, please take a few minutes to give The Seniors Coalition your personal feelings about this alarming proposal. We will quickly deliver the results of this survey to every Senator and Representative in Washington, every Governor, and hundreds of newspapers, television and radio stations so they know how Seniors feel.

You see, unlike the Clinton Administration which seems so hostile to Seniors, we believe the strength of a nation is in its Senior Citizens. Men and women who have served their nation in peace and war, who have paid their taxes and worked to build this nation. These men and women are a cornerstone of America.

A SPECIAL REPORT: SENIORS' MEDICAL CARE AT RISK

This report is a summary of our full report that is available upon request (see reply form).

ISSUE ONE: RATIONING YOUR MEDICAL CARE

The Clinton Administration has been advised by their public relations professionals to avoid using the word "rationing." So they'll deny that this plan will ration health care to the elderly. However, throughout the secret discussions of the Hillary Rodham Clinton Task Force, it's been conceded that rationing will occur and will impact the elderly the most.

In order for the government to insure that "every citizen" gets health care, strict limitations will be set. There will be spending limits. There will be regulators making medical decisions. There will be delays and waiting lines.

In Canada, a nation of only 26 million people, their "managed" health care plan already has 250,000 people on a waiting list for surgery. It takes two and a half months to get a mammogram and five months to get a pap smear.

And the Canadian government is now cutting back further as it runs short on money. That's why so many gravely ill Canadians cross the border to America. In fact, the danger of dying in Canada is greater by being on a waiting list than it is to be on the operating table!

In Great Britain, another nation involved in a socialized medicine plan, the government allows only a set number of kidney dialysis machines. If your kidneys falter, pray that it is early in the year while machines are available. Furthermore, it's against British law to acquire treatment once a rationing budget has reached its limit. Richer patients try to buy U.S. machines, but that's also against the law.

Both the Canadian and British systems have been used as models by Hillary Rodham Clinton's Task Force. She believes "global budgeting" is the best way to keep medical costs down. But that's just her way to avoid saying "rationing."

Under "global budgeting" physicians will be prevented from providing government paid services for treatment once the budget has been reached for the year. And in order to stay within their budgets, doctors will be forced to make decisions . . . or have bureaucrats make decisions based on who's likely to benefit more from the treatment. As in Canada and Great Britain, you can bet your life savings that here at home, the decision

will almost always be against the elderly and in favor of the young.

Don't you think it's wrong to pit one generation against another?

ISSUE TWO: THE RIGHT TO CHOOSE YOUR OWN DOCTOR

The President and Mrs. Clinton have said over and over again that "the right to choose" your physician is fundamental. They promise it will be in whatever plan they propose.

Don't believe it. Not for a second. As The New York Times said about the President, it's "always wise to read the fine print." Clearly Bill Clinton is clever at phrasing things so they don't mean quite what you think they do.

Yes, you'll have a "choice" in the plan you choose . . . but only from the list of doctors the government approves. If your doctor is not on that list, sorry, you cannot choose him or her.

ISSUE THREE: YOUR MEDICAL PRIVACY

The secret hearings of the Task Force have also dealt with the matter of medical information. Public statements talk about "privacy". But the real position of the Task Force is something else.

Their plan includes a national identification card you must carry. This ID card will likely have more than a name and number on it. It will actually have a small computer chip that can hold more information about you than a full issue of TIME Magazine!

Eventually, you and your doctor will be required to provide the government with a complete personal and medical history that will be entered on this card. Then any time you need medical care, you'll have to present this card with your life history on it.

If this plan becomes law, we will see the end of the centuries-old tradition of the confidential relationship between doctor and patient.

ISSUE FOUR: THE COST TO YOU

Just as Seniors will soon be paying more for gas, thanks to the Clinton tax increase, we believe Seniors will soon pay more for medical care through new personal taxes and perhaps a national sales tax which would add to the cost of everything you buy.

Cost estimates—not including current Medicare dollars—run from \$73 billion annually to \$100 billion annually. With Medicare included those costs rise to \$132 billion.

Conservative estimates are that this program will cost at least \$1,000 per year per household. Some estimates have this doubling by 1999.

Canada is learning the lesson. So is Great Britain. Government mandated programs do not work and cannot be afforded. They increase medical costs to everyone. The quality of medicine deteriorates.

ISSUE FIVE: THE NATION'S MEDICAL SYSTEM WILL DETERIORATE

Based on our meetings and conversations with knowledgeable health care leaders, if the Clinton plan is passed, you'll see the deterioration of the health care system in America.

Just as long lines are the trademark of government when you go to get a license or mail a letter, so will long lines be part of your government provided medical care.

Paperwork will escalate. Doctors will spend even more time filling out more government forms. Billing mistakes will become endless nightmares of phone calls, letters and more red tape.

Fewer young men and women will enter medical school.

Where will you turn when the system turns you down? If the Clinton's have their way, your final appeal for help will be your Congressman or Congresswoman! This frightens

me as much as anything, that a politician can have this much power over our lives.

Doctors and scientists will lose the incentive to develop the miracle drugs of tomorrow.

Medical manufacturers will lose the incentive to pioneer new equipment and new procedures.

WHAT YOU CAN DO: THE BATTLE PLAN

If I've convinced you that what Hillary Rodham Clinton has in store for you is not what you want, join with The Seniors Coalition now! With your help we intend to stop Hillary Rodham Clinton's government-run medical plan BEFORE it has a chance to put a single American's health care at risk.

But to do that, we must build nationwide opposition that will force Congress to say "NO". Here's what I need you to do:

First, answer the enclosed survey. Let me know how you feel on these important questions regarding your health care. We need to hear from you and hundreds of thousands of other Seniors from every city and state in this country.

As we receive these surveys, we will quickly tally them and provide the results to Congress, The White House and the Press.

Next, sign and mail your four post cards. These are already addressed to your Senators, Representative and to the President.

It's so important for them to hear from you. If you prefer to write a letter, that's even better.

Finally, so we can continue this campaign to reach other Seniors in your area and across the country, please help us financially. Send a contribution of at least \$10 for your membership, plus whatever else you can give to help.

\$10 will allow us to reach 24 other Seniors with this message.

\$25 will allow us to reach 60.

\$50 will allow us to reach 120.

\$100 will allow us to reach 240!

We'll be fighting a powerful opposition that has the White House and much of Congress behind it. In addition, many liberal newspaper and television journalists want to see a mandatory, socialized health plan.

They fail to understand the importance of the free market, free enterprise system that built our nation. So please help us by sending us your check.

Your \$10 membership brings with it a subscription to our 32 page newspaper which we publish six times a year. It's The Senior Class, and I promise you it's well worth the \$10 alone.

The Seniors Coalition was organized in 1988 to fight the government's effort to impose catastrophic health care on the nation's Seniors. Since then, we have grown to more than 2,000,000 members and supporters in every corner of the country.

Please join with us. I look forward to hearing from you.

Sincerely,

JAKE HANSEN,
Director, Government Affairs.

P.S.—Remember, if the Clinton health plan becomes the law of the land, this nation's medical system will deteriorate badly. So join us today to fight the Clinton plan! Please return your survey, mail your post cards and send a contribution of \$10, \$15, \$20, \$25, \$50, \$100 or more.

P.P.S.—As a special bonus, we'll send you our 128 page book "What Everyone Should Know About Social Security" for a contribution of \$20 or more.

[The Seniors Coalition Special Report]

SENIORS HEALTH CARE AT RISK (Survey on Hillary Rodham Clinton's Health Care Plan)

Please mark each question with a Yes, No or No opinion. Then return it to us in the envelope we've provided. Your answers will be tallied and included in our next report to Congress and the White House. Please be sure to complete and return your survey even if you do not send a contribution.

1. President Clinton is proposing a medical health care plan that will be mandatory for every man, woman and child in the United States. It will limit freedom of choice and impose rationing on Senior Citizens.

Do you oppose a plan that will ration health care to Senior Citizens?

(☐) Yes (☐) No (☐) No opinion

2. In Canada where health care is rationed, government bureaucrats must choose between patients for medical care. Generally, young patients receive preference.

Do you oppose any plan that favors one age group over another?

(☐) Yes (☐) No (☐) No opinion

3. Only doctors approved by the government will be on the list you can choose from. If your doctor is not on the list, you will be prevented from using him or her in the Clinton Health Plan.

Do you oppose any plan that prevents you from choosing your own doctor?

(☐) Yes (☐) No (☐) No opinion

4. President Clinton has proposed a mandatory "health card" with a computer chip in it. You and all Americans will be required to have one. You will have to provide the government with all your medical information so they can put it in the card (which can hold up to 1600 pages of information on you!).

Do you oppose any plan that requires disclosure to the government of your private medical history?

(☐) Yes (☐) No (☐) No opinion

5. Hillary Rodham Clinton says all Americans will have "free" health care. Yet her plan will cost the average household \$1,000 per year. She is calling for an additional payroll tax and considering a national sales tax to help pay for her plan.

Do you oppose a national sales tax to pay for her plan?

(☐) Yes (☐) No (☐) No opinion

6. Since Canada put price controls on pharmaceutical companies in 1969, there have been virtually no new drugs developed there. In the United States miracle drugs have dramatically reduced medical costs by reducing operations and hospitalizations.

Do you oppose government controls on companies who develop new drugs, equipment and procedures that save lives and cut costs?

(☐) Yes (☐) No (☐) No opinion

7. The Seniors Coalition opposes any mandatory health care plan that results in rationing and limiting your choice of doctors. Do you support our position?

(☐) Yes (☐) No (☐) No opinion

8. The Seniors Coalition wants to put this Special Report and Survey in the hands of every Senior Citizen in America.

Will you help by joining The Senior Coalition and sending us a contribution?

(☐) Yes (☐) No (☐) No opinion

(If YES, please return both this survey and the attached Reply Form along with your check. Thanks for your support. We will send you a copy of the results of this survey if you wish.)

Signature: _____

Date: _____

(☐) Yes, here is my completed survey. Please include my answers in your next report to Congress and the President.

() Yes, please send me a copy of your full Health Care Report.

() Yes, I am mailing my Post Cards to President Clinton, my two U.S. Senators and my U.S. Representative in Congress.

() Yes, I want to help you reach other Seniors with this Special Report. I agree that the Clinton Health Plan will put my own medical care at risk. I support the work you are doing to defeat the Clinton Health Plan.

Enclosed is my contribution of:

()\$10 ()\$15 ()\$20* ()\$25*

()Other \$_____

Please make check payable to: The Seniors Coalition.

Because The Seniors Coalition is lobbying to protect seniors' rights the IRS prohibits your contribution from being tax-deductible.

If for any reason you are not satisfied with The Senior Coalition, your contribution will be refunded with no questions asked. Please do not send a contribution if it presents a financial hardship.

*We will send you a bonus gift of our 128 page book, "What Everyone Should Know About Social Security" if you send a gift of \$20 or more.

DEAR SENATOR: I am a Senior Citizen who is worried about President Clinton's plan for a mandatory health care system for all Americans. As my Senator, I urge you to oppose any plan that:

Leads to rationing of health care services.

Forces me into a government plan that limits my choice of my private physician.

Will increase my costs for medical care.

I believe a mandatory government plan will reduce the quality of health care. I much prefer a health care system that is based on a free market, free enterprise approach. Please don't vote to sacrifice the best health care system in the world.

Sincerely,

DEAR REPRESENTATIVE: I am a Senior Citizen who is worried about President Clinton's plan for a mandatory health care system for all Americans. As my representative, I urge you to oppose any plan that:

Leads to rationing of health care services.

Forces me into a government plan that limits my choice of my private physician.

Will increase my costs for medical care.

I believe a mandatory government plan will reduce the quality of health care. I much prefer a health care system that is based on a free market, free enterprise approach. Please don't vote to sacrifice the best health care system in the world.

Sincerely,

DEAR MR. PRESIDENT: I am a Senior Citizens who is worried about your plan for a mandatory health care system for all Americans. I believe your plan will reduce the quality of health care.

I much prefer a health care system that is based on a free market, free enterprise approach. Please don't sacrifice the best health care system in the world for a system that is failing in both Canada and Great Britain.

Sincerely,

DEAR SENATOR: I am a Senior Citizen who is worried about President Clinton's plan for a mandatory health care system for all Americans. As my Senator, I urge you to oppose any plan that:

Leads to rationing of health care services.

Forces me into a government plan that limits my choice of my private physician.

Will increase my costs for medical care.

I believe a mandatory government plan will reduce the quality of health care. I much prefer a health care system that is based on a free market, free enterprise ap-

proach. Please don't vote to sacrifice the best health care system in the world.

Sincerely,

JUST ANOTHER CON JOB ON THE ELDERLY?

(By Peter H. Stone)

Two U.S. Attorneys are conducting fraud investigations of individuals who have worked for the Seniors Coalition, a Fairfax (Va.)-based advocacy group for the elderly, and one of their targets is Richard A. Viguerie, the direct-mail kingpin of the Right.

One of the probes appears to focus on whether Viguerie, who handled the coalition's mailings for three years, used it and other elderly groups for his own financial benefit. The other investigation is looking at whether Dan C. Alexander Jr. and his wife, Fay, a founder of the Seniors Coalition, used the nonprofit, tax-exempt group for their personal gain.

A federal grand jury in New York City has subpoenaed documents pertaining to Viguerie's work for the coalition, according to sources familiar with the inquiry.

The second investigation, still in its early stages, is being conducted by the U.S. Attorney for the Eastern District of Virginia. A grand jury there has subpoenaed documents relating to the Alexanders, who have run the Taxpayers Education Lobby, a Virginia-based group that formerly controlled the Seniors Coalition. The FBI and U.S. Postal Inspection Service are also involved in the Virginia investigation, sources said.

Viguerie and his lawyer did not return calls; Alexander declined to comment.

Jake A. Hansen, the chief lobbyist for the Seniors Coalition, said that the group has been assured by its counsel that it is not a target of the investigations. Viguerie and Alexander no longer have ties to the group, he added.

The coalition, which has styled itself as a conservative alternative to such groups as the American Association of Retired Persons, has attracted controversy almost since its founding in 1969.

Some Members of Congress have complained that Viguerie's mailings for the coalition and some other groups exploited the fears of the elderly about social security and Medicare, largely to help his business. In a May statement on the Senate floor, David Pryor, D-Ark., who chairs the Senate Governmental Affairs Subcommittee on Federal Services, Post Office and Civil Service, said that Viguerie "was an opportunist who is operating at the very fringes of the law" and at the "expense of the very people" for whom he says he is concerned.

In an article last November, The New York Times detailed how Viguerie's direct-mail work for the Senior Coalition and other groups had filled the coffers of his business since 1989.

After the article appeared, the New York state attorney general's office began an investigation into what it called "a web of interrelated and interlocking direct-mail organizations"—including the Seniors Coalition—linked to Viguerie.

The Times reported that Viguerie used the mailing list of the Seniors Coalition to build a for-profit group, the Retired Americans Legislative Lobby Inc., which he controlled and which generated lucrative fees for other Viguerie companies. In early 1990, the new group sent a mailing to millions of elderly people—including Senior Coalition members—urging them to help "stop the government from 'stealing' our social security funds." (Viguerie later converted the for-profit group to a nonprofit organization, the United Seniors Association, which continues to operate.)

Viguerie's contract with the Seniors Coalition was terminated at the end of 1991, in large part because the group complained that he had abused their relationship by creating competition for the coalition. Viguerie sued, contending that under his contract, he was still owed about \$550,000 and that he should be paid 5 cents for every new letter that the group mailed that used his concepts.

The coalition countered that Viguerie's business had "breached its obligation of good faith, loyalty and fair dealing" by becoming a direct competitor. It also charged Viguerie with "using and abusing" its donors' names. However, the coalition agreed to settle the suit by paying Viguerie \$600,000.

Viguerie and Alexander have a relationship dating to 1980, when Alexander started the Taxpayers Education lobby with Viguerie's help. Alexander, who was president of a local school board in Mobile, Ala., was interested in spreading his gospel on school prayer and traditional educational values around the country. With Viguerie as a fund-raising and direct-mail consultant, the Taxpayers Education Lobby over the next five years raised \$1 million-\$2 million annually from hundreds of thousands of people.

But Viguerie's contract with Alexander had several features that, direct-mail experts say, skirted the industry's ethical rules and generated extra money for Viguerie's business. For instance, Viguerie was given complete control over the group's donor list which had been compiled at the group's expense. He then rented the list out for additional fees.

The taxpayer lobby moved to Northern Virginia in early 1986, shortly before federal prosecutors in Alabama indicted Alexander for extorting kickbacks on school construction projects from 1974-83. He was convicted and served 4 years of a 12-year term. In the meantime, his wife headed the taxpayer lobby, and in 1989, she started the Seniors Coalition with Viguerie's help.

The coalition reported raising more than \$23 million from 1990 through the first six months of 1992 and said it had a donor list of 800,000.

The Virginia investigation of Alexander's role in the coalition seems to focus on charges that he and his wife ran the group for their personal benefit without the independent governing structures that nonprofit groups are supposed to have.

For instance, the coalition's board until late last year consisted of Fay Alexander and one or two of her business associates. For its first three years, the coalition's president was Susan Alexander, the couple's teenage daughter. Dan Alexander told The Times that because of his criminal record he couldn't find outsiders to be directors.

At the start of 1992, the coalition became independent of the taxpayers' lobby but maintained a management contract with it that called for paying Mrs. Alexander \$20,000 a month—an amount that some coalition employees say privately was excessive. According to The Times, the coalition also purchased services from companies that Mrs. Alexander owned, and Dan Alexander received \$3,000 per month for consulting, too.

"They were never hesitant to lavish benefits on themselves, but they grudgingly gave us the tools we needed to do our jobs," said a coalition official who asked not to be identified.

Last fall, all ties with the Taxpayers Education Lobby were ended after the coalition's entire staff threatened to resign. Since then, the coalition has recruited three outside directors and installed a new chief executive, Paul Bramell.

The PRESIDING OFFICER (Mr. CAMPBELL). Who yields time? The Sen-

To: John Edgell
From: Jack Shafer

Published in Washington City Paper 12-21-90

Direct-Mail Reptile Direct-mail conjurer Richard Viguerie has been on the skids for so long that if he painted himself green and slithered down Pennsylvania Avenue for spare change, it would be a step up from the work he's doing these days. Not that he was ever in the employ of the righteous and noble: He has raised money for George Wallace, the National Rifle Association, convicted felon Rev. Sun Myung Moon's multitudinous fronts, the abortive presidential campaigns of John Ashbrook and Phil Crane, and pseudogroups like Citizens for Decent Literature. <ep

As Nation contributor Alan Pell Crawford reported in 1989, Viguerie's operation fell on hard times in the late '80s for a variety of reasons: Advancing technology made it so that competitors--many of them sprung from Viguerie's own shop--could buy cheap computers to do the work of Viguerie's expensive behemoths. And worse yet for Viguerie, he had worn out his best mailing lists of generous conservative givers by renting them too often. By 1987, Viguerie was in such straits that he appealed to Rev. Moon for deliverance. Moon's U.S. Property Development Corporation complied, buying the direct-mail expert's 7777 Leesburg Pike building for more than \$10 million. <ep

Today, Viguerie mucks around on the political fringe, despised by many in the conservative movement and considered a spokesman for it by only such out-of-the-loop institutions as the New York Times' Op-Ed page: For a real hoot, read Viguerie's Dec. 18 wank in the Times, "'Bush Loses the Right Wing." Arguing that America needs a new Ronald Reagan to supplant the traitorous George Bush, Viguerie neglects to mention that he backed John Connally in the 1976 presidential contest and Phil Crane in 1980. Reagan became president without the benefit of Viguerie's direct-mail expertise or political guidance. For him to lecture Bush on Reaganism is a joke. As Crawford wrote in the Nation, Viguerie "'now exercises almost no influence whatever in conservative circles, despite what his appearances on television talk-shows and newspaper Op-Ed pages may lead one to believe." On the Hill, Viguerie commands more fear than respect from members of Congress--who suspect that he might retaliate against them by dropping a gargantuan direct-mail attack just a day or two before a close election. <ep

Viguerie most recently popped back into view as part of the Coalition for America at Risk (CAR), the support-the-president-on-Iraq pressure group. CAR is so overrun with Moon toadies that if it isn't a Moon front, I'm a cheese dog. John Elvin's Washington Times column "'Inside the Beltway" has aired conflicting speculations that CAR might fold, but even if it does, it will have served a purpose: building a brand new direct-mail list of soft touches who responded to the jingoist TV and newspaper advertising campaign run by CAR. You don't suppose CAR member Richard Viguerie has gotten his hands on that list, do you? <ep

While we're on the subject of soft-touch mailing lists, there is that much-in-the-news "'G.I. Holiday Gift Pac" organization, run by the Help Hospitalized Veterans (HHV) charity of the very bicoastal Roger Chapin. As widely reported earlier this month, the \$15 Gift Pac Chapin's HHV was marketing actually delivered only a

\$7 package of dates, nuts, cookies, SweetTarts, and other treats to GIs in the Persian Gulf. Consumer groups called it a bad deal, and charity watchdogs criticized HHV for spending too much on overhead.<ep

If Viguerie hasn't also corralled HHV's list of kindly grandmothers, patriots, and fools, then I'm a Whopper with cheese. He and Chapin go way back, having worked together on ""charities" since meeting in 1970. In 1988, Viguerie's operation did \$934,733 worth of direct-mail work for Chapin's HHV charity, according to IRS records. That same year, in a totally legal maneuver, Chapin started sluicing 10 percent of HHV's revenues--or \$1 million in one year--to another of his ""charities," the alarmist Citizens for a Drug Free America (CDFA). According to 1989 forms CDFA filed with the IRS, the group rang up a direct-mail and postage bill of \$6.8 million out of its \$7 million revenues. If Viguerie didn't get a chunk of that \$6.8 million, then I'm a burrito supreme with extra sour cream.<ep

My curiosity is so piqued I'm almost ready to buy a ""G.I. Gift Pac" just to see if I turn up on a Viguerie mailing list. But, hey, what do you think I am? A fish sandwich?<ep

end of item

St. Petersburg Times
5/25/92

5.25.92

Fund-raising effort targets senior fears

■ Critics say the National Committee overstates threats to Social Security and Medicare benefits to raise money.

By DAVID DAHL
Times Staff Writer

WASHINGTON — A direct-mail organization is raising \$30-million a year by sending senior citizens alarmist letters asking for money to protect their Social Security and Medicare benefits from cuts in Washington.

Where does the seniors' money go?

Some of it pays the salaries of lobbyists and staff at the organization, called the National Committee to Preserve Social Security and Medicare.

Some of it goes into the campaign accounts of members of Congress.

And at least half of it is spent to send out more fund-raising letters.

The National Committee, as it is known, has been criticized by the Social Security Administration and other senior citizens' groups for sending letters that overstate threats to Social Security and Medicare benefits.

"The whole notion of trying to frighten

people into giving contributions is abhorrent," said Gwendolyn King, commissioner of Social Security. "I would strongly recommend that they ignore solicitations that show up in the mail."

After receiving complaints from consumers, King's agency this month asked the National Committee to halt fund-raising appeals containing "insinuations" that led seniors to "fear that their benefits are being reduced or going to stop."

The group's letters are familiar to many senior citizens. They measure 11-by-13 3/4 inches — research shows large envelopes

Please see **SENIORS 3A**

TEL:

Oct 08 93

5:56 No. 001 P. 02

Seniors from 1A

are less likely to be discarded — and they carry big-print warnings.

"WATCH OUT!" one letter says in red and blue ink. "Washington is trying a new fast shuffle with your Medicare Benefits!" (The warning refers to an attempt in April to curb Medicare and other entitlement spending by permitting increases only for inflation and population growth. The effort failed.)

Inside the envelopes, a letter typically describes the latest "assault" on benefits and asks seniors for \$10 in annual dues plus "special donations" to finance the fight against cutbacks. Separate but similar appeals are sent two or three times a year to raise money for its political action committee (PAC), said Max Richtman, the group's executive vice president.

"Our intent is not to scare them into contributing. Our intent is to inform them about what's happening in Congress and what's coming down the road," he said.

Profile: National Committee

The National Committee to Preserve Social Security and Medicare raises money for two separate accounts: a political action committee and the group's operating budget.

The PAC collected nearly \$2.6-million in 1989 and 1990 and is raising thousands more in preparation for the 1992 elections. Virtually all of the money is spent to support candidates of both parties or donated to accounts of the political parties themselves.

The group's operating account collected \$30.6-million from membership dues and other assessments collected through its fund-raising letters in the year that ended March 31, 1991, according to the Internal Revenue Service.

It spent nearly \$13-million on printing and publication costs, \$3.9-million on postage and shipping, \$1.3-million on professional fund-raising fees and nearly \$2.5-million on salaries and other compensation, the IRS says.

The group is exempt from federal income taxes, but donations to it are not tax deductible. It claims more than 5-million members.

— David Dahl

Once criticized for exaggerating its lobbying presence, the group now says it lists about 20 registered lobbyists among its 70 staffers. The president is a former acting Social Security commissioner, 68-year-old Martha McSteen, who is paid \$160,000 a year. Richtman, 45, formerly the top staff member at the Senate Special Committee on Aging, puts his salary at about \$110,000 a year.

The committee also operates the largest of two PACs focusing directly on senior citizen issues. More than 280 candidates have accepted money from the controversial group, including a few top members of Congress, such as House Majority Leader Richard Gephardt, as well as one-time critics, such as Arizona GOP Sen. John McCain, and dozens of rank and file members.

Nine members of Florida's House and Senate delegation have received money from the controversial group. "Do they have a serious agenda? Yes," said Sen. Bob Graham, a Democrat who received \$6,000. "They're aggressive, but I don't think they go over the line in Washington."

Graham, like many of the lawmakers receiving contributions from the group, supports one of the main planks in the National Committee's platform — a bill that would boost in benefits for so-called "Notch Babies." These retirees, born after 1916, are angry that law gives them lower benefits than other seniors born earlier.

The group's letters rarely fail to bring up the Notch issue, calling it "Notch justice." One mailing provided charts that show seniors how much they have been "short-changed."

King opposes the legislation, saying the senior citizens in that age group are not getting cheated at all but simply collect less than the seniors before them because of the way Congress structured the benefits. King suggests that the National Committee has worked to expand the "Notch Baby" age group by five years in order to increase its potential contributors.

"It seems like a good, fertile ground for fund-raising," the Social Security commissioner said in an interview.

McSteen, the National Committee president who signs the fund-raising letters, opposed Notch legislation while she was acting commissioner of Social Security under President Reagan, according to congressional testimony.

Now, though, McSteen says the Social Security Trust Fund is in better shape to absorb the \$45-billion cost of the Notch Baby benefits. (While the trust fund does report surpluses now, its balance is expected to dip as the baby boom generation ages.)

The Notch surfaces in the National Committee's political strategy as well.

Where the PAC money goes

Since the beginning of 1991, the National Committee to Preserve Social Security and Medicare political action committee has contributed \$526,550 to 283 members of Congress. Here are the Florida lawmakers and a sampling of key lawmakers from around the country who have accepted money from the group's PAC since 1991:

Floridians

Sen. Bob Graham, D, \$6,000
Rep. Jim Bacchus, D, \$2,500
Rep. Michael Bilirakis, R, \$1,000

Rep. Harry Johnston, D, \$1,000
Rep. William Lehman, D, \$500
Rep. Pete Peterson, D, \$700
Rep. Beana Ros-Lehtinen, R, \$1,000
Rep. Larry Smith, D, \$1,500
Rep. C.W. Bill Young, R, \$1,000

Congressional leaders

Michigan Democratic Rep. David Bonior, House majority whip, \$5,000
Missouri Democratic Rep. Richard Gephardt, House majority leader, \$6,000
Arizona GOP Sen. John McCain, \$5,000
California Democratic Rep. Leon Panetta, chairman of the House Budget Committee, \$1,000
California Democratic Rep. Pete Stark, chairman of House Ways and Means subcommittee on health, \$4,000

Besides its widespread political donations, the National Committee has given a dozen or so favored members of Congress its "Friends of Seniors" award. Rep. Michael Bilirakis, a Palm Harbor Republican who supports the Notch legislation, received the award this year at a meeting the group organized in North Pinellas.

But the group's enemies also are punished, as North Florida Democratic Rep. Earl Hutto learned this week.

At a May 14 congressional hearing on deceptive mailings, Hutto criticized the National Committee's fund-raising activity tied to the Notch. The group's response: to highlight Hutto as a "foe" of the popular Notch legislation in the "Senior Flash" telephone hotline National Committee members can call for updates on what is happening in Washington.

"... 12-million seniors affected by the Notch inequity won't be convinced that the Notch exists merely because the National Committee tells them that it does," the hotline's recorded message said. "They see the results every month in their Social Security checks."

Hutto, though, says his constituents are upset by the letters they receive from the group. "They are frightened. They are scared to death," Hutto said. He called the "Senior Flash" telephone line "part of their propaganda."

One senior citizen, who was not identified, wrote Congress last year to complain about the group. "These people cause a lot of pain and worry and are getting rich off old people who cannot afford to keep sending them \$10 every month. I wish you all could stop them," the person wrote.

Nor is the National Committee accepted entirely by other senior citizens groups. The Leadership Council of Aging Organization,

whose 33 members include the American Association of Retired Persons, will not let the National Committee join, said Larry Smedley, chairman of the leadership council.

"It is not what I would call a legitimate membership organization. It's more of a big list of names established by the mail house," Smedley said.

Highly emotional appeals are not unique in modern direct-mail fund-raising, though they usually don't target seniors. Yet even its critics say the National Committee has improved its image significantly since its high-profile fight to kill the 1989 law that extended health coverage to people hit by the costs of catastrophic illness.

In the 1980s, lawmakers often lambasted the group for fund-raising letters that looked like they were coming from the government and contained appeals even more emotional than those sent out now. The group's leader at the time was the late James Roosevelt, son of former President Franklin Roosevelt, and he frequently invoked his father's name.

The National Committee's attempts to legitimize itself has brought its lobbyists to the negotiating table over a bill that gives workers time off for family emergencies and efforts to increase Social Security's operations budget. It quickly mobilized a grass-roots lobbying campaign among members in 1990 when budget negotiators announced they were going to cut \$60-million from Medicare. The cuts were later minimized to about \$44-billion.

One former critic is Sen. McCain, who told a constituent earlier this year that he now has "the highest regard" for the group and that "it has been a great joy" to work with McSteen. McCain backs the committee's efforts to lift the Social Security earnings penalty that working senior citizens ages 65-69 must pay.

Rockefeller U. Plans Center For Alzheimer's Research

By WARREN E. LEARY
Special to The New York Times

WASHINGTON, May 26 — A major private center for research into Alzheimer's disease will be established at Rockefeller University in Manhattan to refocus the nation's efforts against the debilitating condition, scientists and philanthropists said today.

Zachary Fisher, a prominent figure in the real estate and construction industries, and David Rockefeller, the executive committee chairman of Rockefeller University's board of trustees, said they would together donate \$5 million to establish a major center that would combine basic research with clinical treatment of Alzheimer's.

The effort would also involve the bringing together of many of the world's leading experts in Alzheimer's disease to help develop a long-

in 10 years we want to delay the onset by 10 years," Dr. Coleman said. "This is a goal we believe is technically feasible."

Hillary Rodham Clinton, who attended the luncheon meeting, said, "This is an example of what we need — the ability of the Government and private citizens to bring together the best minds on a problem." It costs between \$30,000 and \$50,000 a year to care for one Alzheimer's patient, she said, an amount that can bankrupt many families.

In a pitch for changing the health insurance system, Mrs. Clinton said that much existing insurance coverage for Alzheimer's was inadequate because many needed services were not covered, the cost of long-term care was often excluded and many policies had lifetime limits on benefits that could leave people uncovered. "We have an economic imperative to solve the problem of Alzheimer's disease," she said.

Alzheimer's is a lethal, progressive, incurable brain disease that slowly destroys the mind. Its cause is unknown and there is no effective therapy for most patients. About 4 million Americans have Alzheimer's, which kills more than 100,000 each year and costs the nation up to \$80 billion annually for care and lost wages, experts said.

'Never Enough Money'

The Federal Government will spend \$310 million this year on Alzheimer's research, up from \$47 million five years ago.

"For a disease like this, there is never enough money," said Mr. Fisher. "It's time for a determined and national assault on the scourge of Alzheimer's disease." To sponsor the new center, Mr. Fisher agreed to give \$2.5 million, to be matched with money from a fund provided to the university by Mr. Rockefeller.

The announcement by Rockefeller University, on the Upper East Side, followed the first of three symposiums to be held this year to draft a national research policy on Alzheimer's. These meetings of leading scientists, sponsored by the Mr. Fisher's Fisher Medical Foundation and the Federal aging institute, are intended to produce a national blueprint for Alzheimer's, as called for by Congress, participants said. This strategy will help guide national plans for research, for developing and testing treatments, and for dealing with patient care.

An effort to deal with an incurable disease that afflicts 4 million Americans.

term, national research strategy. Up to now, such research has been scattered among many institutions, including 28 comprehensive Alzheimer's research and treatment centers sponsored by the National Institute on Aging, which is part of the National Institutes of Health.

The initiative's sponsors said they hoped that this public-private initiative would make it possible within a decade to delay the onset of the disease and slow its.

Progress in 5 Years

Dr. Paul Coleman of the University of Rochester Medical Center, an Alzheimer's researcher who attended the meeting at which the announcement was made today, said that scientists believed that they would first be able to slow the progress of Alzheimer's disease before they discovered a way to stop or reverse it. "In five years, we want to be able to delay onset of the disease by five years, and

'Liars' Try to Frighten Elderly On Health Care, Groups Say

By ROBERT PEAR
Special to The New York Times

WASHINGTON, May 26 — Two large consumer groups charged today that conservative direct-mail organizations were scaring elderly people with inaccurate attacks on President Clinton's health plan.

Lawrence T. Smedley, executive director of the National Council of Senior Citizens, denounced the direct-mail organizations as "liars for hire." He said they were trying to raise money with "fright mail" warning elderly people that they might lose Medicare benefits under Mr. Clinton's health plan.

"The health care debate has brought out a feeding frenzy of fear-mongers whose primary goal is to fleece older Americans," Mr. Smedley said.

He criticized letters, postcards and brochures sent out by the American Council for Health Care Reform, in

John C. Rother, director of legislation and public policy at the American Association of Retired Persons, said, "It is unconscionable to prey on seniors' fears by spreading untrue information to raise money."

'Fear and Scare Tactics'

But he said such solicitations must be taken seriously. "Similar appeals, based on fear and scare tactics, had a large role in persuading Congress to repeal a program of insurance against catastrophic health costs in 1989," he said.

Senator Pryor, a close ally of President Clinton, said: "The same old breed of predators, direct-mail fundraisers that pose as advocates for senior citizens, is attacking seniors by playing upon their fears about health care reform. Seniors should think twice before sending their retirement funds to these modern-day snake oil salesmen."

Paul E. Bramell, chief executive of the Seniors Coalition, said: "We have ginned up hundreds of thousands of letters to Congress from our supporters opposing Clinton's Government-controlled health care proposal. This has begun to sting and scare members of Congress, who are feeling the weight of opposition from their constituents."

Sandra L. Butler, president of the United Seniors Association, said: "David Pryor has refused to debate us on the issues. He's pushing the President's plan to socialize medicine, as is the National Council of Senior Citizens. Middle-class American seniors aren't buying it."

Ms. Butler said she worked from 1978 to 1990 for Richard A. Viguerie, a master of direct-mail fund raising for conservative candidates.

Claim Is Defended

Mr. Manion said it was true, as his group asserted, that Mr. Clinton's health bill would provide prison terms for patients who offer "anything of value" to obtain special treatment from doctors.

The Clinton bill says that anyone who offers or promises anything of value to influence the actions of a "health care official" may be imprisoned up to two years. The bill defines health care official to include any employee of a health plan. A health care official who demands or accepts improper payments may be imprisoned up to 15 years, the bill says.

Mr. Manion's group, the American Council for Health Care Reform, was among the organizations that sued Hillary Rodham Clinton to gain access to meetings of her advisory committee, which developed President Clinton's health plan last year.

Rivals on health care compete for the confidence of the aged.

Arlington, Va.; the Seniors Coalition, in Fairfax, Va., and the United Seniors Association, in Fairfax.

Threat of 'Jail Time'

Christopher Manion, director of legislation at the American Council for Health Care Reform, defended its description of the Clinton plan as accurate.

A brochure prepared by the American Council says consumers face "jail time if you buy extra care," and it says people will want extra care because spending limits in the Clinton plan will force doctors to ration care.

A fund-raising letter from the Seniors Coalition begins by asking, "Do you want to be stripped of your Medicare benefits and pressured to enroll in Bill Clinton's Government-controlled health care plan?"

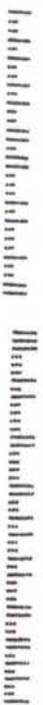
It asserts that "the goal of the Clinton health care plan is the systematic elimination of Medicare." It urges readers to "send \$10, \$15, \$25, \$50 or \$100" to save Medicare and stop the Clinton plan.

Joining the Council of Senior Citizens in denouncing the solicitations were Senator David Pryor of Arkansas, chairman of the Senate Special Committee on Aging; Representative Andrew Jacobs Jr. of Indiana, chairman of the Ways and Means Subcommittee on Social Security, and the American Association of Retired Persons.

Bob/Jason
DIRECT MAIL
FROM OUR
ENEMIES.

— John
— CDGEE

MACE
Medical Action Committee for Education
P.O. Box 1485 • 110 N. Bell, Suite 511
Shawnee, Oklahoma 74801





Francis A. Davis, MD, Acting Chairman

July 19, 1993

John Edgell MD
9413 Forest Haven Dr.
Alexandria, Va. 22309

Dear Dr. Edgell,

I'm sorry you were unable to join us at the first meeting of the Medical Action Committee for Education in Dallas last month.

As you can see from the enclosed report, the meeting was a resounding success. Approximately 400 doctors and other professionals from 38 states helped launch MACE, and we intend to work diligently in our battle to preserve the greatness of the U.S. health-care system.

You can play a vital role in this important battle by distributing copies of the enclosed brochure on medical savings accounts to your friends, patients and colleagues. We can provide these to you at our cost – \$20 per 100.

We also have printed 14" x 22" four-color posters that highlight the main aspects of MSAs. Similar to the artwork on pages 2, 3 and 4 of the brochure, they are only \$3 each. We will absorb all postage and handling costs.

Please let us know if you would like to order brochures or posters by contacting the *Private Practice* staff at P.O. Box 890547, Oklahoma City, Okla. 73189. Phone: (405) 692-4466, FAX: (405) 692-4446.

If you have any questions about MACE or suggestions on how we can make it a more effective organization, please let us hear about them.

Sincerely,

Francis A. Davis, MD

P.S. A complete report on the MACE meeting will be featured in the August issue of *Private Practice*.

**National Steering
Committee**

Edward R. Annis, MD
General Surgery
Miami, Fla.

Jerome Arnett, MD
Pulmonary Medicine
Elkins, W. Va.

Frederic Ball, MD
Internal Medicine
Charleston, S.C.

Dexter Blome, MD
Plastic Surgery
Zanesville, Ohio

Carol Brown, MD
Psychiatry
Honolulu, Hawaii

Lois Copeland, MD
Internal Medicine
Hillsdale, N.J.

Lester Karotkin, MD
Internal Medicine
Houston, Texas

Robert Knapp, MD
Anesthesiology
Carefree, Ariz.

Steven Reeder, MD
Vascular Surgery
Dallas, Texas

Robert Sade, MD
Ped. C.V. Surgery
Charleston, S.C.

Bruce Schlafly, MD
Orthopedic Surgery
St. Louis, Mo.

Michael Schlitt, MD
Neurological Surgery
Seattle, Wash.

Lawrence Tilis, MD
Internal Medicine
Rochester, N.Y.

Steve Symms
Former U.S. Senator
Washington, D.C.

James Weaver, MD
Thoracic Surgery
Durham, N.C.

Medical Action Committee for Education

First meeting - June 18 and 19, 1993 – Dallas, Texas

A diverse group of physicians and others interested in maintaining the quality of the U.S. medical-care system recently launched an organization whose lofty goals include loosening the government's stranglehold on American medicine and establishing a way for patients to regain control over how their health-care dollars are spent.

Approximately 400 people attended the first meeting of the Medical Action Committee for Education in Dallas June 18 and 19. Many participants were physicians, but the group also included other health professionals and representatives of the pharmaceutical and insurance industries.

The program included presentations by speakers from throughout North America on subjects ranging from medicine in Hawaii, Canada, Germany and Japan to the effect of third-party payers on the quality of medical care. Participants also heard about managed competition and other proposals that might be presented by the Clinton administration, the relationship between physicians and the pharmaceutical industry and the success physicians have enjoyed in court battles with the government.

The keynote speakers were William J. Bennett – former Secretary of Education and Drug Czar and a possible candidate for the White House in 1996 – and nationally syndicated columnist Mona Charen – a former speech writer for Ronald Reagan and Jack Kemp. Presentations also were made by U.S. Rep. Phil Crane, R-Ill., and Steve Symms, former U.S. senator from Idaho.

John Goodman, PhD, president of the National Center for Policy Analysis in Dallas, spoke on establishing medical savings accounts as a vital part of the U.S. health-care system. Such a plan would permit patients to purchase relatively inexpensive catastrophic health insurance starting at \$2,500 or \$3,000 and deposit the money saved into an MSA that would grow tax-free. Patients could pay their medical bills up to the \$2,500 or \$3,000 from their MSAs, and money left at the end of the year could be transferred into medical IRAs to be used to pay for long-term care and post-retirement medical care. Since they would be spending their own money, they would shop around for the health plan that suited them best, thus reducing the overall cost of the U.S. health-care system.

Other speakers included former American Medical Association President Edward R. Annis, MD; Peter Ferrara of the Heritage Foundation; David Kelley, PhD, executive director of the Institute for Objectivist Studies; Glaxo, Inc. Vice President Gary Kirby; Brant Mittler, MD; and Hans Sennholz, PhD, of the Foundation for Economic Education.

Conference participants also heard from two physicians who took on the federal government in the courts. Lois Copeland, MD, of Hillsdale, N.J., explained how she and five of her patients sued the Department of Health and Human Services, claiming that senior citizens have the right to contract with their physicians outside the Medicare program. Jane Orient, MD, of Tucson, Ariz., president of the Association of American Physicians and Surgeons, talked about AAPS' suit to open up to the public meetings of Hillary Rodham Clinton's health-care reform task force.

In addition, participants heard special reports from Brian McManus of the Golden Rule Insurance Co. and Stephen Cohen, MD, vice president of Physicians Who Care, a nationwide doctors' organization based in San Antonio.

expenses. Therefore, insurance would be less expensive and the savings could be deposited into MSAs. The money in these accounts would grow tax-free and eventually could become part of an individual's retirement fund or be used to pay for long-term care.

Are MSAs portable?

Yes. MSAs would be the private property of account holders and would become part of an individual's estate when he or she died. Even accounts created by employers would be the employee's property if he or she changed jobs.

How do we pay for MSAs?

One of the primary reasons for the high cost of health insurance is the high cost of processing small claims. It is cheaper to purchase a catastrophic policy and use your own money to pay for routine care.

Should the tax code be changed?

Since most of the 37 million Americans who lack health insurance have no encouragement to obtain coverage, the tax code should be changed to grant a credit or deduction to individuals who buy health insurance with after-tax dollars. The tax code currently subsidizes health-insurance premiums paid by employers but taxes dollars destined for medical savings.

What happens to money remaining in an MSA at the end of the year?

The money belongs to the individual. He or she might transfer it into a medical individual retirement account that could be used to finance long-term care. In any case, the individual will decide how the money is spent.

WHICH PLAN WOULD YOU CHOOSE?



	Present System ¹		Managed Competition		Medical Savings Account
	HMO Plan	CHOICE Plan	HMO Plan	CHOICE Plan	CHOICE Plan
Premium paid by employer to insurance company	\$3,735	\$4,500	\$3,735	\$4,500	\$1,500 ³
Employer's contribution to employee's medical savings account	\$0	\$0	\$0	\$0	\$3,000
Deductible paid by employee out-of-pocket ⁴	\$50	\$250	\$50	\$250	\$0
Taxes paid by employee on health insurance	\$0	\$0	\$0	(4,500-3,735) x 30% = \$230 ²	\$0
Savings in employee's medical savings account at end of year	\$0	\$0	\$0	\$0	\$0 - \$3,000 at end of 1st year, with potential for increasing by up to \$3,000 each year

¹ \$4,500 is a rough estimate of the present cost of family coverage with traditional insurance that allows you to go to the doctor of your choice ("CHOICE Plan"). The cost of HMO insurance averaged about 17% less than CHOICE plans in 1992, but HMO plans do not allow you to go to the doctor of your choice.

² Tax rate is figured at 30%, but this may underestimate the combined burden of federal, state and local income taxes plus FICA taxes. Some managed competition proposals will require the employee to pay the full cost of the difference between the HMO Plan and the CHOICE Plan, i.e., \$765.

³ Employer pays premium of \$1,500 to purchase the same CHOICE plan for the employee as \$4,500 presently does, except that the insurance company does not pay the first \$3,000 of expenses. These expenses are paid from the medical savings account (from the first dollar of care), which can also be used for eyeglasses and dental care.

⁴ Deductibles are rough estimates (HMO out-of-pocket deductibles are usually quite low).

- Family insurance coverage to \$1 million.
- Figures are in dollars per year.
- Cost of health insurance varies by community.

“IT’S YOUR MONEY; YOU SHOULD DECIDE HOW TO SPEND IT.”

**MEDICAL SAVINGS ACCOUNTS
MEDICAL IRAs**

WHY WE NEED MEDICAL SAVINGS ACCOUNTS AND MEDICAL IRAs

Most of the nearly 100 reform bills proposed by various federal legislators would fail to solve the problems that plague the U.S. health-care system because most of them do not consider this important fact: The only way to control the cost of health care is to permit patients to shop for medical services in a competitive marketplace. As long as the government, insurance companies and other third parties are paying most of the bills, health-care costs will continue to escalate.

Among the major reform options currently being considered, only one, the establishment of medical savings accounts, would return financial responsibility to patients. Under such a plan, individuals or their employers would make tax-free deposits to MSAs, which would be similar to individual retirement accounts but would be used to pay for health care.

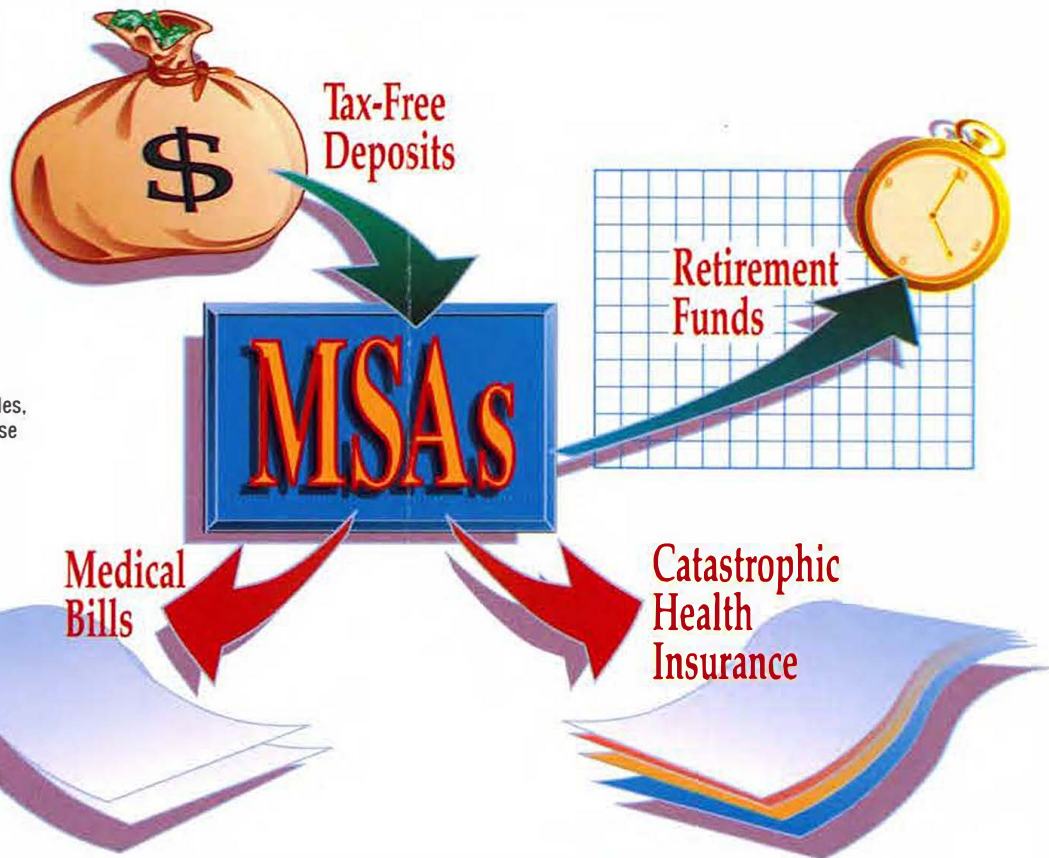
People would use their MSAs to pay their everyday medical bills and purchase high-deductible health-insurance policies to protect themselves against catastrophic expenses. With higher deductibles, insurance would be less expensive and the savings could be deposited into MSAs. The money in these accounts would grow tax-free and eventually could become part of an individual's retirement fund.

The Cost of Catastrophic Insurance Policies (\$2,500 Deductible)

	Washington National	Pyramid Life	Time	Union Bankers
Cincinnati: City	1,369.50	1,622.60	1,455.80	2,037.11
Suburbs	1,369.50	1,622.60	1,555.80	2,037.11
Dallas: City	1,836.60	2,135.00	1,975.73	2,688.81
Suburbs	1,680.90	2,049.60	1,871.75	2,688.81
Denver: City	1,525.20	1,878.80	1,663.77	1,819.88
Suburbs	1,525.20	1,878.80	1,663.77	1,819.88
Des Moines: City	1,369.50	1,451.80	1,123.20	1,602.64
Suburbs	1,213.80	1,281.80	1,123.20	1,602.64
Indianapolis: City	1,369.50	1,537.20	1,404.00	1,602.64
Suburbs	1,213.80	1,451.80	1,216.80	1,602.64
Omaha: City	1,525.20	1,451.80	1,404.00	1,602.64
Suburbs	1,213.80	1,366.40	1,216.80	1,602.64
Peoria: City	1,542.00	1,622.60	1,572.48	2,037.11
Suburbs	1,542.00	1,622.60	1,572.48	2,037.11
Portland: City	N/A	1,878.80	1,253.78	2,037.11
Suburbs	N/A	1,878.80	1,164.23	2,037.11
Richmond: City	1,525.20	1,622.60	1,497.60	2,037.11
Suburbs	1,525.20	1,537.20	1,497.60	2,037.11
Scranton: City	N/A	1,964.20	N/A	2,037.11
Suburbs	N/A	1,964.20	N/A	2,037.11

*Source: Golden Rule Insurance Co.
Insurance premiums are for husband and wife, age 35, and one child.

For this comparison it is appropriate to use rates for one child because group insurance does not price for additional children.



MAJOR ADVANTAGES TO ESTABLISHING A SYSTEM OF MEDICAL SAVINGS ACCOUNTS:

- **Saving money** – People who purchase medical care with MSA funds would be spending their own money.
- **Restoring the doctor-patient relationship** – With MSAs, patients and doctors would be encouraged to manage their own care and would probably do a better job than bureaucrats and insurance company executives are doing now.
- **Maintaining the quality of care** – The efforts of bureaucrats to reduce costs currently are threatening the quality of medical care in this country.
- **Encouraging rationing by choice** – MSAs would allow individuals and families, not large, impersonal bureaucracies, to decide between spending money on medical care or using it for other essentials.
- **Providing funds for preventive care** – MSAs would give patients a source of funds for services not covered by health insurance.
- **Providing funds for health-insurance premiums** – MSAs would provide a source of funds to continue health-insurance coverage for people who are unemployed.
- **Providing funds for long-term care** – MSA funds not spent during a person's working years would be available for long-term care, long-term care insurance and other medical needs not covered by Medicare.
- **Creating personal and portable benefits** – MSAs would be the private property of individuals. People changing jobs would take their MSAs with them.

This important information prepared by: Private Medical Care Foundation P.O. Box 1485, Shawnee, Okla. 74802-1485 Phone (405) 273-6124 FAX (405) 273-3360
Private Practice P.O. Box 890547, Oklahoma City, Okla. 73189-0547 Phone (405) 692-4466 FAX (405) 692-4446

Q & A ON MSAs

What are MSAs?

Medical savings accounts, alternatives to third-party insurance, would allow individuals to pay for their own minor medical expenses. With regular deposits, the money in these accounts would, in time, reduce the need for third-party insurance, and, eventually, people would rely on insurers only for protection against catastrophic medical expenses. An overwhelming majority of health-care costs would be paid directly by patients from their medical savings accounts.

Why do we need MSAs?

In today's medical marketplace, patients are intentionally ignored when decisions are made about the quality of their care. In addition, they often cannot find out how much a proposed treatment will cost.

Why should individuals be placed in control of their health-care dollars?

Most people buy medical care with someone else's money. Fully informed individuals should decide how their health-care funds should be spent. People differ greatly in their attitudes toward risk and in the value they place on spending money to improve their odds of staying healthy. The right decision for one patient might not be the right decision for another.

With MSAs, individuals would become the principal buyers of health care. The doctor-patient relationship would be restored, which would establish a competitive medical marketplace based on the free-enterprise system.

How can MSAs help pay for long-term care?

Through the use of MSAs, individuals would have incentives to change their lifestyles and seek preventive medical care. Medical savings accounts would encourage long-term planning and long-term thinking. Individuals would have the option of purchasing high-deductible health insurance policies to protect themselves against catastrophic

Continued on back

→ Administrative
CUM

**DETERMINED TO BE AN
ADMINISTRATIVE MARKING**

INITIALS: ELL DATE: 09/01/13

2018-0634-5

CONFIDENTIAL

September 29, 1993

MEMORANDUM FOR JEFF ELLER, KENT MARCUS, MELANNE VERVEER

FROM: Mike Lux

SUBJECT: National Committee to Preserve Social Security and Medicare Mailing

Max Richtman says that the mailing is on the wa and cannot be pulled, so we need to launch our counter-attack. I would suggest we move ahead immediately on the following:

1. A press conference ASAP with (ideally) Dick Celeste, Jim Roosevelt, Arthur Fleming, and maybe the heads of other senior groups.
2. Senator Pryor calling for a Congressional investigation.
3. Getting supportive AGs in their states (with a copy to us) issuing statements denouncing the mailing.
4. Having HRC (tomorrow) denouncing scare tactics of groups just trying to bilk people out of their money.
5. Preparing a radio ad. M idea would be to use Roosevelt, but also do a positive quote from AARP to show that other groups have analyzed this and think it's pretty good.

"ABC News has learned that much of the cost of the President's grand design for health care reform will come from funds spent on the poor and the elderly.

Secret documents from the Health Care Task Force reveal the Administration intends to help finance the plan with cuts up to \$200 billion over 4 years in Medicare and Medicaid."

-ABC News

Send Congress this Message:

**"Seniors Oppose Unfair and
Ill-conceived Cuts in Medicare
to Fund Health Care Reform!"**

**PETITION TO CONGRESS ENCLOSED FOR
MR. [REDACTED]**





ABC NEWS REPORTS DOCUMENTS THAT DISCLOSE PLAN
TO FINANCE HEALTH CARE REFORM WITH MEDICARE AND
MEDICAID BUDGET CUTS OF UP TO \$200 BILLION!

IMMEDIATE ACTION REQUESTED:
PETITION TO CONGRESS ENCLOSED

DEAR MR.,

I urgently request that you sign the enclosed official Petition
to Congress.

Members of Congress must receive a strong message from senior Americans.

AND SPECIFICALLY, FROM YOU, MR.

Our message is simple:

We oppose recommendations to help pay for a national health care system by excessive cuts in Medicare.

The cuts that have been proposed are simply preposterous.

What's next?

Medicare has already been cut by \$100 billion in the 1990 and 1993 budgets. And yet, not one single program has been identified as over-funded.

Will you help me send a strong message to Congress?

(please turn page)

(2)

We must say loud and strong:

"Seniors oppose unfair and ill-conceived cuts in Medicare to pay for health care reform!"

I hope you are among those seniors who were alerted when ABC News recently reported that much of the cost of the President's grand design for health care reform will come from funds spent on the poor and the elderly!

ABC based their report on documents from the Administration's Health Care Task Force. These documents revealed that the Administration intends to help finance new health plans with Medicare and Medicaid cuts of over \$200 billion over 4 years.

The media have continued to report proposals for huge cuts in Medicare.

Does this make you angry? This is what Representative Henry Waxman - Chairman of the House Energy and Commerce Subcommittee on Health and the Environment - had to say:

"I don't think that we are going to be able to finance health care for all Americans on the backs of cutting programs for the elderly and the poor."

He even goes as far as to say:

"If they propose to cut back on Medicare and Medicaid to add funds to the health care system, and at the same time jeopardize the health of the elderly and the poor, they are not going to be able to count on my support."

Representative Pete Stark, Chairman of the Ways and Means Health Subcommittee, said in the *New York Times*:

"This is like cold fusion. You get all these wonderful results with no effort, no problem. There is a remarkable level of naiveté in their assumptions about what Federal and state legislators will do."

Representatives Waxman and Stark are the chairmen of the House subcommittees that are responsible for Medicare

*What else did Waxman say?
later to follow up*

(next page please)

and Medicaid - they are good friends to have on our side!

But meanwhile, listen to what the White House is saying:

"No one will be hurt by the plan. In the long run it will provide a universal system where everyone is covered, it will help hold down the cost of health care and improve the system of health care in this country." (White House Press Secretary Dee Dee Myers)

*Cut
Medicare*

I believe that the Administration is sincere in its efforts to reform our health care system without hurting anyone. But it is completely unrealistic to think that cutting Medicare by almost \$125 billion will not hurt seniors.

*to
response*

Remember that phrase that has tripped up so many politicians - "No new taxes"?

The President has promised that no new broad-based tax will be required to pay for his proposal.

But the money must come from somewhere! Regrettably, Mr. Clinton seems to be eyeing Medicare, and Administration officials are considering a proposal to squeeze more than \$200 billion of additional savings from Medicare and Medicaid, the federal health programs for the elderly and poor.

*→ Where does
money come
from?*

I have warned you before and I will do so once again: Further cutbacks of this size in Medicare could mean serious consequences for American seniors.]

The Clinton Administration says that these cuts are just a "down payment" on health care reform.

But I ask you to consider, why are seniors the only Americans asked to make this down payment? The answer is, because Medicare is where the money is. →

If the President wants older Americans to support his health reform plan, he must insure that all generations, young and old alike, are treated fairly and equitably.]

Anything less simply will not fly.

I'm certain you agree with me and I am certain that you yourself are concerned that as the Administration and Congress

(continue on...)

(4)

try to control the growth of health care spending - seniors must not be singled out as the ones to suffer.

I've said it before and I'll say it many times in the future - seniors are quite willing to sacrifice. They have already sacrificed.

They believed the promises made by their government. They paid their taxes in good faith and now they are entitled to their Social Security and Medicare benefits.

And they are still willing to do their fair share. But how far can they be expected to go? Medicare has already been cut by \$56 billion over five years in this summer's round of budget cuts.

All in all, there is considerable concern and confusion on Capitol Hill and around the country about the proposals of health care planners to put a lid on Medicare costs.

 YOU AND I MUST JOIN IN THIS CONTROVERSY.

Our voices must be heard. We must send a strong message to Congress. We must say:

"Seniors oppose unwise and ill-conceived cuts in Medicare to fund health care reform!"

We must send this message now. Immediately.

That's why I urge you to sign the enclosed official Petition and mail it back to me and I will bring it to the attention of your Congressional representatives.

My lobbyists and I are already talking to Senators and Representatives, the Administration and the press, telling them that these cuts are wrong and unfair to seniors.

Please sign your official Petition this very moment and send a message to Capitol Hill saying:

"Seniors oppose unwise and ill-conceived cuts in Medicare to fund health care reform."

And finally, when you send me your signed Petition, I hope you will also be able to include your personal check of \$25

(next page please)

(5)

to help us carry on this struggle and our other work on behalf of America's seniors.

As you know, we are strictly a grassroots organization. Our strength comes from individuals like yourself.

We represent you with vigor and we do it in a way that allows you to speak your mind, and at the same time puts us in a position of being able to enter into a dialogue with the Administration, Congress, and the "powers that be" on Capitol Hill.

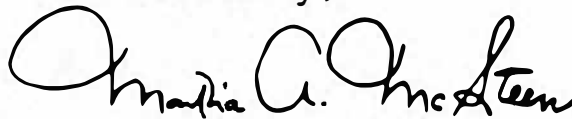
But to get this job done, we must depend on your support. Your gifts of \$25 are a tremendous help to us.

J✓

Many of our National Committee Members must live on strict budgets. So whenever anyone sends a gift, I certainly understand the sacrifice involved and deeply appreciate the support.

I want to thank you for reading this letter and I look forward to hearing from you just as soon as possible.

Sincerely,



Martha A. McSteen, President
National Committee to Preserve
Social Security and Medicare

Nexis
check

P.S. I repeat: Help us send a message to Congress.

The message is plain and simple:

"Seniors oppose unfair and ill-conceived cuts in Medicare to fund health care reform! Period!"

The enclosed Petition is registered in your name. Please sign and return it to me immediately.

And if you possibly can, also enclose a gift of \$25 to help the National Committee speak out for your rights as seniors.

Again...thanks.

3 times ask for \$25

Prepared and mailed by the National Committee to Preserve Social Security and Medicare, a nonprofit, tax-exempt organization, 2000 K Street, N.W., Suite 800, Washington, D.C. 20006.

The National Committee is totally independent of Congress, every government agency, and all political parties. This organization has not been approved or endorsed by the federal government, and this offer is not being made by an agency of the federal government.

Contributions or gifts to the National Committee are not tax-deductible. You need make no special contributions other than annual dues.

Based upon the last three fiscal years, the National Committee spends its budget in approximately the following way: legislative advocacy 32%, educational activities 26%, fund-raising 16%, administration 20%, reserve 6%. Detailed financial reports are available from the National Committee at 2000 K Street, N.W., Suite 800, Washington, D.C. 20006, 202-822-9459, and from the charitable solicitations departments of most states; New York residents should write the NYS Department of State, Office of Charities Registration, 162 Washington Ave., Albany, NY 12231; Virginia residents may obtain a copy of a financial statement from the State Division of Consumer Affairs, P.O. Box 1163, Richmond, VA 23209; West Virginia residents may obtain a summary of the registration and financial documents from the West Virginia Secretary of State, State Capitol, Charleston, WV 25305; Maryland residents should contact the Office of the Secretary of State, State House, Annapolis, MD 21401. The official registration and financial information of the National Committee to Preserve Social Security and Medicare may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1-800-732-0999. Registration does not imply endorsement. Washington residents may obtain registration and financial information from the Secretary of State by calling toll-free, within Washington, 1-800-332-4483. FLORIDA RESIDENTS MAY OBTAIN A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, WITHIN THE STATE, 1-800-HELP-FLA. REGISTRATION WITH ANY OF THESE STATE GOVERNMENTAL AGENCIES DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE.

Official Petition

to the

United States Congress

FROM:

PETITION NO:

01116553--3267000210749

WHEREAS: The Health Care Task Force has been considering the possibility of paying for a large part of the proposed national health care system by excessive cuts in Medicare;

WHEREAS: Medicare was just subjected to \$56 billion in cuts for deficit reduction and cannot withstand additional cuts; and

WHEREAS: These cuts will impact most severely the senior citizens and the disabled of America.

THEREFORE, let it be known that I am saying to you, as my representatives in Congress, that there should be no unwise and excessive cuts in Medicare to fund health care reform!

I urge you to find a fair way to fund America's health care reform program, and I urge you to resist unwarranted cuts in Medicare that deprive senior citizens of benefits they have paid for and are eligible to receive.

SIGNED: _____ DATE: _____

PLEASE DO NOT DETACH

Don't Cut My Medicare!

Petition Reply

☐ **YES!** I have signed my Petition to the United States Congress telling them not to cut my Medicare to fund health care reform. I have also enclosed my contribution:

☐ \$25 ☐ Other \$ _____

Please make your check payable to NCPSSM (or National Committee to Preserve Social Security and Medicare). Thank you.

☐ No, I can't afford to help you with a contribution, but I have signed my Petition to Congress to fight any attempts to cut Medicare to fund health care reform.

Contributions or gifts to the National Committee are not tax-deductible.

(Please make any necessary corrections to your name and address below.)

TO: Martha A. McSteen, President
National Committee to Preserve
Social Security and Medicare
2000 K Street, N.W., Dept. 3267
P.O. Box 96692
Washington, D.C. 20090-6692

FROM:

Why Do We Ask for Special Donations?

Dear Friend,

Your Membership dues in the National Committee have always been only \$10 a year.

We haven't increased them in the almost 10 years since our founding because many of our Members simply can't afford more.

We ask for additional donations on an ENTIRELY VOLUNTARY basis because annual dues fall far short of funding our work on your behalf.

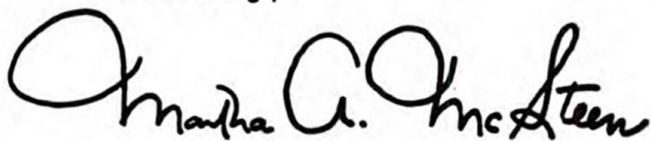
We don't expect you to contribute each time we ask. But we hope you will do so when you can — as you always have in the past.

There are 535 Senators and Representatives and hundreds more in the Administration and elsewhere with whom we have to deal. We simply cannot cope with this work without special donations.

So please remember, we ask only because extra donations are essential — but we only expect you to help when and as you can.

We are deeply appreciative for the extra help we have always received and thank you very much for it.

Sincerely,

A handwritten signature in dark ink, reading "Martha A. McSteen". The signature is fluid and cursive, with the first name "Martha" and last name "McSteen" clearly legible.

Martha A. McSteen
President



PLEASE RESPOND TODAY!

We want to hear from you as soon as possible!

- 1.** Sign and mail the Petition to Congress.
- 2.** Please enclose the Don't Cut My Medicare! Petition Reply and a generous contribution to help the National Committee continue the battle to protect and improve your benefits.]x

St. Petersburg Times
5/25/92

TEL:

5.25.92

Fund-raising effort targets senior fears

■ Critics say the National Committee overstates threats to Social Security and Medicare benefits to raise money.

By DAVID DAHL
Times Staff Writer

WASHINGTON — A direct-mail organization is raising \$30-million a year by sending senior citizens alarmist letters asking for money to protect their Social Security and Medicare benefits from cuts in Washington.

Where does the seniors' money go? Some of it pays the salaries of lobbyists and staff at the organization, called the National Committee to Preserve Social Security and Medicare.

Some of it goes into the campaign accounts of members of Congress.

And at least half of it is spent to send out more fund-raising letters.

The National Committee, as it is known, has been criticized by the Social Security Administration and other senior citizens' groups for sending letters that overstate threats to Social Security and Medicare benefits.

"The whole notion of trying to frighten

people into giving contributions is abhorrent," said Gwendolyn King, commissioner of Social Security. "I would strongly recommend that they ignore solicitations that show up in the mail."

After receiving complaints from consumers, King's agency this month asked the National Committee to halt fund-raising appeals containing "insinuations" that led seniors to "fear that their benefits are being reduced or going to stop."

The group's letters are familiar to many senior citizens. They measure 11-by-13 1/2 inches — research shows large envelopes

Please see SENIORS 3A

file
Nat - Committee
to Preserve
Social Sec --

Advertisement Oct 03 93

3:56 No. 001 3:02

Seniors from 1A

are less likely to be discarded — and they carry big-print warnings.

"WATCH OUT!" one letter says in red and blue ink. "Washington is trying a new fast shuffle with your Medicare Benefits!" (The warning refers to an attempt in April to curb Medicare and other entitlement spending by permitting increases only for inflation and population growth. The effort failed.)

Inside the envelopes, a letter typically describes the latest "assault" on benefits and asks seniors for \$10 in annual dues plus "special donations" to finance the fight against cutbacks. Separate but similar appeals are sent two or three times a year to raise money for its political action committee (PAC), said Max Richtman, the group's executive vice president.

"Our intent is not to scare them into contributing. Our intent is to inform them about what's happening in Congress and what's coming down the road," he said.

Profile: National Committee

The National Committee to Preserve Social Security and Medicare raises money for two separate accounts: a political action committee and the group's operating budget.

The PAC collected nearly \$2.6-million in 1989 and 1990 and is raising thousands more in preparation for the 1992 elections. Virtually all of the money is spent to support candidates of both parties or donated to accounts of the political parties themselves.

The group's operating account collected \$30.6-million from membership dues and other assessments collected through its fund-raising letters in the year that ended March 31, 1991, according to the Internal Revenue Service.

It spent nearly \$13-million on printing and publication costs, \$3.9-million on postage and shipping, \$1.3-million on professional fund-raising fees and nearly \$2.5-million on salaries and other compensation, the IRS says.

The group is exempt from federal income taxes, but donations to it are not tax deductible. It claims more than 5-million members.

— David Dahl

Once criticized for exaggerating its lobbying presence, the group now says it lists about 20 registered lobbyists among its 70 staffers. The president is a former acting Social Security commissioner, 68-year-old Martha McSteen, who is paid \$160,000 a year. Richtman, 45, formerly the top staff member at the Senate Special Committee on Aging, puts his salary at about \$110,000 a year.

The committee also operates the largest of two PACs focusing directly on senior citizen issues. More than 280 candidates have accepted money from the controversial group, including a few top members of Congress, such as House Majority Leader Richard Gephardt, as well as one-time critics, such as Arizona GOP Sen. John McCain, and dozens of rank and file members.

Nine members of Florida's House and Senate delegation have received money from the controversial group. "Do they have a serious agenda? Yes," said Sen. Bob Graham, a Democrat who received \$6,000. "They're aggressive, but I don't think they go over the line in Washington."

Graham, like many of the lawmakers receiving contributions from the group, supports one of the main planks in the National Committee's platform — a bill that would boost in benefits for so-called "Notch Babies." These retirees, born after 1916, are angry that law gives them lower benefits than other seniors born earlier.

The group's letters rarely fail to bring up the Notch issue, calling it "Notch justice." One mailing provided charts that show seniors how much they have been "short-changed."

King opposes the legislation, saying the senior citizens in that age group are not getting cheated at all but simply collect less than the seniors before them because of the way Congress structured the benefits. King suggests that the National Committee has worked to expand the "Notch Baby" age group by five years in order to increase its potential contributors.

"It seems like a good, fertile ground for fund-raising," the Social Security commissioner said in an interview.

McSteen, the National Committee president who signs the fund-raising letters, opposed Notch legislation while she was acting commissioner of Social Security under President Reagan, according to congressional testimony.

Now, though, McSteen says the Social Security Trust Fund is in better shape to absorb the \$45-billion cost of the Notch Baby benefits. (While the trust fund does report surpluses now, its balance is expected to dip as the baby boom generation ages.)

The Notch surfaces in the National Committee's political strategy as well.

Where the PAC money goes

Since the beginning of 1991, the National Committee to Preserve Social Security and Medicare political action committee has contributed \$526,550 to 283 members of Congress. Here are the Florida lawmakers and a sampling of key lawmakers from around the country who have accepted money from the group's PAC since 1991:

Floridians
 Sen. Bob Graham, D, \$6,000
 Rep. Jim Bacchus, D, \$2,500
 Rep. Michael Bilirakis, R, \$1,000

Rep. Harry Johnston, D, \$1,000
 Rep. William Lehman, D, \$500
 Rep. Pete Peterson, D, \$700
 Rep. Ileana Ros-Lehtinen, R, \$1,000
 Rep. Larry Smith, D, \$1,500
 Rep. C.W. Bill Young, R, \$1,000

Congressional leaders

Michigan Democratic Rep. David Bonior, House majority whip, \$5,000.
 Missouri Democratic Rep. Richard Gephardt, House majority leader, \$6,000
 Arizona GOP Sen. John McCain, \$5,000
 California Democratic Rep. Leon Panetta, chairman of the House Budget Committee, \$1,000
 California Democratic Rep. Pete Stark, chairman of House Ways and Means subcommittee on health, \$4,000

Besides its widespread political donations, the National Committee has given a dozen or so favored members of Congress its "Friends of Seniors" award. Rep. Michael Bilirakis, a Palm Harbor Republican who supports the Notch legislation, received the award this year at a meeting the group organized in North Pinellas.

But the group's enemies also are punished, as North Florida Democratic Rep. Earl Hutto learned this week.

At a May 14 congressional hearing on deceptive mailings, Hutto criticized the National Committee's fund-raising activity tied to the Notch. The group's response: to highlight Hutto as a "foe" of the popular Notch legislation in the "Senior Flash" telephone hotline National Committee members can call for updates on what is happening in Washington.

"... 12-million seniors affected by the Notch inequity won't be convinced that the Notch exists merely because the National Committee tells them that it does," the hotline's recorded message said. "They see the results every month in their Social Security checks."

Hutto, though, says his constituents are upset by the letters they receive from the group. "They are frightened. They are scared to death," Hutto said. He called the "Senior Flash" telephone line "part of their propaganda."

One senior citizen, who was not identified, wrote Congress last year to complain about the group. "These people cause a lot of pain and worry and are getting rich off old people who cannot afford to keep sending them \$10 every month. I wish you all could stop them," the person wrote.

Nor is the National Committee accepted entirely by other senior citizens groups. The Leadership Council of Aging Organization,

whose 33 members include the American Association of Retired Persons, will not let the National Committee join, said Larry Smedley, chairman of the leadership council.

"It is not what I would call a legitimate membership organization. It's more of a big list of names established by the mail house," Smedley said.

Highly emotional appeals are not unique in modern direct-mail fund-raising, though they usually don't target seniors. Yet even its critics say the National Committee has improved its image significantly since its high-profile fight to kill the 1989 law that extended health coverage to people hit by the costs of catastrophic illness.

In the 1980s, lawmakers often lambasted the group for fund-raising letters that looked like they were coming from the government and contained appeals even more emotional than those sent out now. The group's leader at the time was the late James Roosevelt, son of former President Franklin Roosevelt, and he frequently invoked his father's name.

The National Committee's attempts to legitimize itself has brought its lobbyists to the negotiating table over a bill that gives workers time off for family emergencies and efforts to increase Social Security's operations budget. It quickly mobilized a grass-roots lobbying campaign among members in 1990 when budget negotiators announced they were going to cut \$60-million from Medicare. The cuts were later minimized to about \$44-billion.

One former critic is Sen. McCain, who told a constituent earlier this year that he now has "the highest regard" for the group and that "it has been a great joy" to work with McSteen. McCain backs the committee's efforts to lift the Social Security earnings penalty that working senior citizens ages 65-69 must pay.

PHOTOCOPY
PRESERVATION



National Committee to Preserve Social Security and Medicare
Martha A. McSteen, President
202-822-9459

"Social Security Facing Jeopardy, Moynihan Warns"
The Washington Post

"The Clinton administration plans to cut federal
benefits for the poor and elderly as part of its
economic program..." *Chicago Tribune*

"Clinton Weighing Freeze or New Tax on Social Security"
The New York Times

"President Clinton's economic advisers and Democratic
Congressional leaders have concluded that retirees
receiving Social Security benefits and Government
pensions should pay a significant part of the price
of deficit reduction..." *The New York Times*

"Clinton Eyes Social Security" *The Washington Times*

"A change in Social Security benefits is not ruled out
in any kind of a shared-sacrifice deficit reduction
package" *The Washington Post*

You can see why it's so urgent you sign and send
the enclosed cards to President Clinton and your
Congressional Representative immediately!

"Clinton Weighing Freeze or New Tax on Social Security"
The New York Times

"President Clinton's economic advisers and Democratic Congressional leaders have concluded that retirees receiving Social Security benefits and Government pensions should pay a significant part of the price of deficit reduction..." *The New York Times*

PHOTOCOPY
PRESERVATION

"Clinton Eyes Social Security" *The Washington Times*

"A change in Social Security benefits is not ruled out in any kind of a shared-sacrifice deficit reduction package" *The Washington Post*

You can see why it's so urgent you sign and send the enclosed cards to President Clinton and your Congressional Representative immediately!

MR. JOSEPH J. GEISER
3083 YOUNGSTOWN RD
WILSON, NY 14172-9744

DEAR MR. GEISER:

I'm rushing this to you because we face a crisis that requires quick and forceful action. President Clinton is promoting his first economic package and it could hurt senior citizens. This economic package contains more taxation on your Social Security benefits!

We are alerting all National Committee Members that the Clinton Administration is planning to increase taxes on Social Security

(please turn page)

benefits to reduce the deficit. And if this isn't bad enough, the proposal could get worse as it moves through Congress!

The White House and the Congress have refused to take your Social Security benefits off the table:

This proposal calls for higher taxes on Social Security benefits as a way to make up for government overspending. This means you may wind up with less money each month!

We must rally to prevent this additional tax on your Social Security benefits.

Surpluses do not create deficits. With the Social Security Trust Fund running a surplus of more than \$50 billion a year, Social Security is not contributing to the deficit. Is it fair to place this additional tax burden on America's senior citizens?

Right now, a single person with income over \$25,000 a year (including 50% of their Social Security benefits) pays income tax on 50% of the amount over \$25,000 up to half their Social Security benefits. The same law applies to a couple with income over \$32,000 a year.

The President has proposed increasing the amount of benefits that are taxed to 85%. That will bring in about \$31.5 billion in five years. If they eliminate the "thresholds" - the minimum income for paying tax on benefits - so that everyone paid tax on 85% of their benefits, it would bring in \$112 billion over five years.

Even though eliminating or reducing the thresholds is not now on the table, I worry that could be the next step if the tax on Social Security is increased.

I need you and every other National Committee Member to mail the enclosed cards today so they know we mean business when we say:

Surpluses do not create deficits. With the Social Security Trust Fund running a surplus of more than \$50 billion a year, Social Security is not contributing to the deficit. Is it fair to place this additional tax burden on America's senior citizens?

Right now, a single person with income over \$25,000 a year (including 50% of their Social Security benefits) pays income tax on 50% of the amount over \$25,000 up to half their Social Security benefits. The same law applies to a couple with income over \$32,000 a year.

PHOTOCOPY
PRESERVATION

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Even though eliminating or reducing the thresholds is not now on the table, I worry that could be the next step if the tax on Social Security is increased.

I need you and every other National Committee Member to mail the enclosed cards today so they know we mean business when we say:

**"NO! DON'T RAISE TAXES ON MY SOCIAL SECURITY BENEFITS!
DON'T TAMPER WITH SOCIAL SECURITY!"**

That's why we are enclosing postcards to:

**■ PRESIDENT CLINTON
REPRESENTATIVE LAFALCE**

The President, because he considered freezing your COLA and now has proposed raising the tax on your Social Security benefits, and your local Representative, who is responsible to you – the voter.

Are you going to stand up for the benefits you've already earned?

(next page please)

Will you help us fight?

This is not a time to sit back and watch the events take place.

Don't be fooled. Social Security is your right - IT'S NOT WELFARE.

Social Security is not WELFARE! It is a trust. It's a paid-up insurance program. You have already paid.

Social Security is not the problem!

We all want the deficit reduced...but deficit reduction must focus on the real cause of the deficit.

Social Security is one of the few government programs that actually produces a SURPLUS - it brings in more money than it spends. It has not added a penny to the deficit.

In fact, the Trust Fund built up a \$52,000,000,000.00 (\$52 billion!) surplus in 1992 alone. There's big money involved in cutting your Social Security benefits through taxation.

This tax increase is money taken out of the pockets of retired American workers - including YOUR POCKET - those who can least afford to lose the money...people on fixed incomes...people who paid into Social Security their entire lives and have been promised they'd get fair benefits now.

I'm certain that you are as upset and disappointed about this as I am.

Perhaps you were watching television when Leon Panetta, the Director of the Office of Management and Budget, said in his Senate confirmation hearing:

"We need to confront these deficits...and be prepared for some sacrifice."

Yes, it's that "S" word. SACRIFICE.

Social Security is one of the few government programs that actually produces a SURPLUS – it brings in more money than it spends. It has not added a penny to the deficit.

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"We need to confront these deficits...and be prepared for some sacrifice."

Yes, it's that "S" word. SACRIFICE.

But should seniors be required to take on this sacrifice by having their Social Security benefits cut? They paid their Social Security taxes in good times and bad times.

They had faith in their government. And now many of them are barely surviving on their Social Security benefits.

And so, should they be asked to sacrifice their already meager monthly checks?

Here's something the politicians forget: Seniors will certainly sacrifice with the other tax proposals "on the table," including:

(continue on...)

- higher taxes for gasoline and heating (energy tax);
- an overall income tax increase.

Why should seniors be double-whammied with these new taxes that every American will share, AS WELL AS an additional increase in the tax on Social Security? Is this fair? I don't think so.

Seniors want to play a role in righting our economy. But not at any price. They should not be asked to carry more than their fair share of the burden.

We want to work with the President and the Congress to ensure that the plan for economic renewal does not cause thousands and thousands of seniors unfair hardship.

The President needs to hear from people like us who will be affected by any tax increase. And your Congressional Representative needs to be told to VOTE NO on any Social Security tax increase.

I Need To Hear From You.

If there's one thing politicians respond to, it's a large group of people working together for a common purpose. To increase our effectiveness, I must increase our lobbying efforts on Capitol Hill and reach out to other seniors and urge them to sign letters, petitions and postcards to our newly elected President and their Members of Congress.

MR. GEISER, SIGN AND MAIL YOUR CARDS TO PRESIDENT CLINTON AND REPRESENTATIVE LAFALCE - AND MAIL THE EMERGENCY REPLY CONFIRMATION WITH A SPECIAL CONTRIBUTION OF \$10 OR \$15 TO ME TODAY.

President Clinton will be presenting his budget to Congress shortly. You need to send him the enclosed card so it reaches him immediately. If enough of us send our cards, he may reconsider his plans. At the same time, send the card to your Representative in Congress to let him or her know that the tax increases must not be on the table for deficit reduction - NOW OR EVER!

The President needs to hear from people like us who will be affected by any tax increase. And your Congressional Representative needs to be told to VOTE NO on any Social Security tax increase.

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The President has said his first 100 days in office will set the tone for his entire term.

Your actions today will help shape those first 100 days - and the next four years. We cannot permit any additional taxes on our benefits in order to reduce the federal deficit.

To do this, I need your continued support. It is difficult for me to make this request because I know that many National Committee Members are living on fixed incomes, and their \$10 annual dues represents a significant sacrifice.

But I must ask you to carefully consider the potential

(next page please)

consequences if we fail to defend your rights — and the rights of the other approximately six million Members and supporters of the National Committee.

We've been very busy in recent weeks. My Chief Lobbyist, Max Richtman, has appeared on television shows around the country and has been interviewed by nearly 100 radio programs and newspapers.

Our activities have already helped protect COLAs.

BUT NUMBERS SPEAK IN WASHINGTON. Yes, these media appearances help get our message out, but ACTION BY OUR MEMBERS BEGETS ACTION IN THE WHITE HOUSE AND CONGRESS.

It all comes down to two things I must request of you:

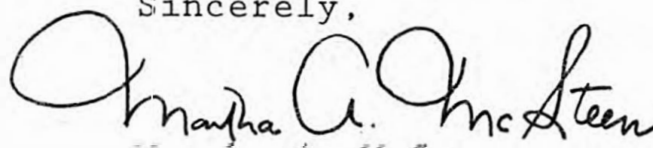
1. PLEASE SIGN THE ENCLOSED CARDS TO PRESIDENT CLINTON AND REPRESENTATIVE LAFALCE TO LET THEM KNOW THEY WILL HURT YOU AND MILLIONS OF OTHER SENIORS WITH TAX INCREASES, AND MAIL THESE CARDS TODAY.
2. PLEASE SEND THE LARGEST GIFT YOU CAN: \$10 OR \$15. YOUR EMERGENCY CONTRIBUTION WILL ALLOW ME TO FIGHT THESE SOCIAL SECURITY CUTS WITH A BIG "WAR CHEST."

Return your Emergency Reply Confirmation so I'll be able to alert the media and tell President Clinton and Congress how many of our Members are against this plan!

How you respond today can have a direct bearing on your retirement security.

I appreciate your faith in the National Committee.

Sincerely,

A handwritten signature in cursive script, reading "Martha A. McSteen". The signature is written in dark ink and is positioned below the word "Sincerely,".

It all comes down to two things I must request of you:

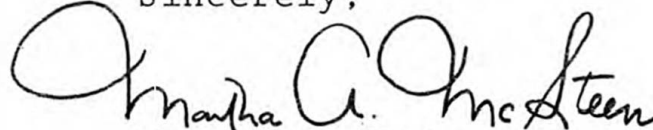
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I appreciate your faith in the National Committee.

Sincerely,


Martha A. McSteen

PHOTOCOPY
PRESERVATION

P.S. As reported in the *Wall Street Journal*, *The New York Times*, *The Washington Post*, *Los Angeles Times* and every insider publication, YOUR SOCIAL SECURITY BENEFITS ARE ON THE LINE. Here's an even more alarming quote from *The New York Times*:

"Washington, D.C. - President Clinton's economic advisers and Democratic Congressional leaders have concluded that retirees receiving Social Security benefits and Government pensions should pay a significant part of the price of deficit reduction."

With your signed CARDS TO PRESIDENT CLINTON AND YOUR CONGRESSIONAL REPRESENTATIVE and your special contribution, I pledge to you that we will fight this threat. With vigor.

Prepared and mailed by the National Committee to Preserve Social Security and Medicare, a nonprofit, tax-exempt organization, 2000 K Street, N.W., Washington, D.C. 20006.

The National Committee is totally independent of Congress, every government agency, and all political parties. This organization has not been approved or endorsed by the federal government, and this offer is not being made by an agency of the federal government.

Contributions or gifts to the National Committee are not tax-deductible. You need make no special contributions other than annual dues.

Based upon the last three fiscal years, the National Committee spends its budget in approximately the following way: legislative advocacy 32%, educational activities 26%, fund-raising 16%, administration 20%, reserve 6%. Detailed financial reports are available from the National Committee at 2000 K Street, N.W., Suite 800, Washington, D.C. 20006, and from the charitable solicitations departments of most states; New York residents should write the NYS Department of State, Office of Charities Registration, 162 Washington Ave., Albany, NY 12231; Virginia residents may obtain a copy of a financial statement from the State Division of Consumer Affairs, P.O. Box 1163, Richmond, VA 23209; West Virginia residents may obtain a summary of the registration and financial documents from the West Virginia Secretary of State, State Capitol, Charleston, WV 25305; Maryland residents should contact the Office of the Secretary of State, State House, Annapolis, MD 21401. The official registration and financial information of the National Committee to Preserve Social Security and Medicare may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, 1(800)732-0999. Registration does not imply endorsement. Washington residents may obtain registration and financial information from the Secretary of State by calling toll free, within Washington, 1(800)332-4483. FLORIDA RESIDENTS MAY OBTAIN A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION

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PRESERVATION

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4 Pages

Pre-filled Postcards
to President Clinton
and Representative
Lafalce.

PLEASE ACT TODAY!

Dear President Clinton:

Your economic advisers say America's seniors must sacrifice and that it's impossible to combat the nation's deficit without cutting entitlements. In fact, Social Security has not caused one penny of our national deficit. The Social Security Trust Fund has accumulated a \$52,000,000,000.00 surplus in 1992 alone.

Millions of Americans depend on their full Social Security benefit for a decent standard of living -- and need every penny they have due them. Please don't deprive us of the benefits we count on for our daily living expenses and health care costs by unfairly raising taxes on our benefits.

As a Member of the National Committee to Preserve Social Security and Medicare, I urge you to keep any proposals to cut or increase taxes on Social Security out of your deficit reduction proposals.

Sincerely, _____

MR. JOSEPH J. GEISER
WILSON, NEW YORK

DEAR REPRESENTATIVE LAFALCE:

President Clinton's economic advisers say America's seniors must sacrifice and that it's impossible to combat the nation's deficit without cutting entitlements. In fact, Social Security has not caused one penny of our national deficit. The Social Security Trust Fund has accumulated a \$52,000,000,000.00 surplus in 1992 alone.

Millions of Americans depend on their full Social Security benefit for a decent standard of living -- and need every penny they have due them. Please don't deprive us of the benefits we count on for our daily living expenses and health care costs by unfairly raising taxes or otherwise cutting our benefits to reduce the deficit.

As your constituent, and a Member of the National Committee to Preserve Social Security and Medicare, I strongly urge you to reject any attempt to cut or unfairly increase taxes on my Social Security benefits.

Sincerely, _____

MR. JOSEPH J. GEISER
WILSON, NEW YORK

▲ FOLD AND TEAR ON DOTTED LINE ABOVE FOR MAILING ▲

IMPORTANT INSTRUCTIONS:

1. Sign and mail the 2 postcards above.
2. Complete this **Emergency Reply Confirmation**, enclose it with your check in the yellow reply envelope and stamp and mail today.

Your Emergency Reply Confirmation will allow me to alert the media, President Clinton and Congress how many of our Members are against this unfair plan.

▼ FOLD AND TEAR ON DOTTED LINE BELOW FOR MAILING ▼

Chicago Tribune

Monday, February 1, 1993

**The Clinton
Administration
Plans to Cut
Federal Benefits
for the Poor and
Elderly as Part
of its Economic
Program**

The Washington Times

Friday, January 29, 1993

Washington, D.C.

25 CENTS

Clinton eyes Social Security

The New York Times

Sunday, January 31, 1993

**CLINTON WEIGHING FREEZE OR
NEW TAX ON SOCIAL SECURITY**

DO NOT let the President and Congress tamper with your Social Security benefits! Social Security surpluses do not cause deficits!

**SIGN THE ENCLOSED CARDS TO PRESIDENT CLINTON
AND REPRESENTATIVE LAFALCE NOW
TO FIGHT THE UNFAIR PLANS TO INCREASE TAXES
ON SOCIAL SECURITY BENEFITS!**

CAR-RT SORT **RR 01

MR. JOSEPH J. GEISER
3083 YOUNGESTOWN RD
WILSON, NY 14172-9744



Prepared and mailed by the National Committee to Preserve Social Security and Medicare, a nonprofit, tax-exempt organization, 2000 K St., N.W., Washington, D.C. 20006. The National Committee is independent of Congress, every government agency, and all political parties.

11 - C6325 293 411930 299601

PHOTOCOPY
PRESERVATION

Max Richtman

Chief Lobbyist

"The squeaky wheel gets the grease."

Dear Friend:

You are our most valuable asset — an active senior who wants to fight the unfair proposals to cut or tax your Social Security. The more response from Members like you, the louder the voice we have here in Washington.

As you know, the more vocal we can be, the more pressure we can exert on politicians — the same politicians who count on your vote to get reelected! Some of the same politicians who are now tempted to raid Social Security to pay for their overspending!

Why do they keep trying to raid Social Security? Like the bank robber Willie Sutton said when they asked him why he robbed banks, "Because that's where the money is." Just like it was wrong for Willie Sutton to rob banks, it's wrong for them to raid Social Security to reduce the deficit!

I **need** each and every Member of the National Committee — that includes YOU — to show your frustration at this unfair proposal to increase taxes on Social Security by signing the enclosed cards to President Clinton and your Congressional Representative and sending your contribution to the National Committee. We have a huge, expensive battle ahead of us.

If you watch the news or read the newspaper, you know the momentum for tampering with Social Security is AGAINST US. Many people in Washington are trying to use your benefits to reduce the federal deficit. We can change that momentum if we have each and every Member of the National Committee prepared to fight to preserve our Social Security and Medicare benefits!

Please act today. First, sign and mail the cards to President Clinton and your Congressional Representative. Then, send in your contribution and the "Emergency Reply Confirmation" to the National Committee in the enclosed yellow reply envelope. **As I said, this will be a long and expensive battle and we'll need your support.**

We'll keep you abreast of events here in Washington as they occur. We truly value your membership — it's times like this that your membership is so valuable. Thanks again.

Sincerely,

Max Richtman
Max Richtman

MR. JOSEPH J. GEISER
3083 YOUNGSTOWN RD
WILSON, NY 14172-9744



PLACE
STAMP
HERE

RUSH!

**EMERGENCY REPLY
CONFIRMATION
ENCLOSED TO FIGHT
PLANS TO TAMPER
WITH SOCIAL SECURITY.**

MARTHA A. McSTEEN
National Committee to Preserve
Social Security and Medicare
2000 K Street, N.W., Dept. 2996
P.O. Box 37095
Washington, D.C. 20013-7095



PLEASE RESPOND TODAY!

We want to hear from you as soon as possible!

- 1** Sign and mail the 2 postcards. Do not place the postcards in this envelope.
- 2** Please enclose the Emergency Reply Contribution and a generous contribution to help the National Committee continue the battle to protect and improve your benefits.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Grunwalk, Eskew & Donilon to DNC (1 page)	05/23/1994	Personal Misfile

COLLECTION:

Clinton Presidential Records
First Lady's Office
Melanne Verveer
OA/Box Number: 6202

FOLDER TITLE:

Health Care - Advertising [1]

2013-0534-S

rc1568

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

TARGETED ADS: Citizens for a Sound Economy began airing a 60-second radio spot 3/7 in the districts of four Energy & Commerce cmte. members: Rick Boucher (D-VA), Richard Lehman (D-CA), Billy Tauzin (D-LA) and Marjorie Margolies-Mezvinsky (D-PA). AD TEXT: Annocr. speaks over a background telephone ringing: "Medical care in America under health reform ..." Man: "Gatekeeper!" Woman: "Hello? This is Mrs. Baylor. My son is having a terrible earache and needs to see Dr. Murray right away." Man: "You will not see Dr. Murray. Dr. Johnson will see your son next week!" Woman: "Next week? He needs a doctor now! Is Dr. Johnson an ear specialist?" Man: "It doesn't matter." Woman: "Wait a minute! I have health insurance, I can choose my own doctor. I don't need you." Man: "Mrs. Baylor, under health reform all Americans -- and that includes you and your son -- will have to go through government health alliances with gatekeepers like me. We will decide who, when or even if you need to see a doctor!" Woman: "But this is America!" Man: "No, Mrs. Baylor, this is health reform!" Annocr: "If you don't want government gatekeepers telling you what doctor you can see, call Congressman [name] at [number] now and tell him to vote no on the Clinton health care plan. That's [number]. Your call will make a difference. Paid for by Citizens for a Sound

Press RETURN to continue, GOLD MENU for options or EXIT to cancel

Government-Run Health Care? It's *Your* Choice. ADD

Before you jump on the President's health care bandwagon, answer these key questions:

Will the Clinton health care plan . . .

1. keep me from choosing my own doctors?
2. force me to pay for insurance benefits I don't want or need?
3. put government bureaucracy in charge of my health care decisions?
4. ration care by fixing prices?
5. force me to pay more taxes for less health care?

Call Senator Herb Kohl **TODAY** and tell him you want health care reform that puts *YOU* in charge, not the government.

Madison — (608) 264-5338

Citizens for a Sound Economy

Paul Beckner, President, 1250 H . N W Washington, D.C. 20004

new —
file for
cabinet 7
Misleading
Ads —

Health-reform ads face fairness scrutiny

By Karen Riley
THE WASHINGTON TIMES

Former officials from state and federal consumer agencies have created a nonpartisan watchdog group to monitor advertising on health care reform.

The panel will determine whether ads are deceptive, misleading or unsubstantiated based on the same criteria used by the Federal Trade Commission (FTC) and the courts.

The FTC declares advertising deceptive if it contains claims that are likely to mislead reasonable consum-

ers to purchase products and services that do not deliver the promised performance.

"Advertisements for children's toys and skin lotion receive more scrutiny than promises to improve the medical system," said William McLeod, a former FTC official who put together the panel through the auspices of his non-profit consumer group Consumer Alert.

Consumer Alert, based in Arlington, monitors government regulation and advocates consumer choice in competitive markets.

"Unlike many products we buy at the store, there's no money-back guarantee if health care reform doesn't work. If it's a lemon, you can't return it," said Mr. McLeod.

No ad has yet to go before the new panel for review, he said.

Mr. McLeod first got the idea for the panel in February when news media began criticizing health reform ads on grounds that would not have stood an FTC test.

For example, a Feb. 17 editorial in

see HEALTH, page B9

HEALTH

From page B8

The Washington Post charged the Democratic National Committee with misleading advertising for using a truncated quotation by South Carolina Gov. Carroll Campbell. The DNC ad used a partial quote from Mr. Campbell, saying "there's not a crisis" in the health care system. He had actually qualified that by saying there is a crisis for people that don't have health care, The Post said.

While the ad may have misquoted Mr. Campbell, it did not ac-

tually deceive consumers about health care reform, Mr. McLeod said.

Similarly, Consumer Reports — which advocates a single-payer or government-financed health care system like the one in Canada — published an article criticizing three industry association ads for portraying reform best suited to their own interests as "conveniently identical to those of the American public."

The ads by the Health Insurance Association of America (representing an industry that would be eliminated under a single-payer system), the American Medical Association and the Pharmaceutical Research and Manufact-

urers Association might not tell the whole story but are not misleading.

Consumer Reports did not respond to questions about the story.

The new panel includes five former FTC officials: a chairman, Daniel Oliver; a commissioner, George Douglas; a director of the bureau of economics, Robert Tolison; and two directors of the bureau of consumer protection, Timothy Muris and Mr. McLeod.

Also on the panel are Carol Dawson, former consumer product safety commissioner; Robert Helms, former assistant secretary of health and human services; and Hal Stratton, former New Mexico attorney general.

Forest Service chief angers both sides

By Greg Pierce
THE WASHINGTON TIMES

"The spotted owl lifted Jack Ward Thomas to the top of the U.S. Forest Service, but he has grown tired of angry hoots from loggers and environmentalists alike during his six turbulent months in office."

Mr. Thomas and President Clinton satisfied neither side with the decision to protect 75 percent to 80 percent of the remaining old-growth forests in Oregon, Washington and Northern California.

Loggers are unhappy, although the administration plan would more than double the harvests allowed since the owl was declared a threatened species in June 1990.

Environmentalists are unhappy, saying it is illegal to permit even limited logging in an area important to a threatened species.

"I'm very weary of [the criticism]," Mr. Thomas said of the controversy and court fights in the Pacific Northwest. "This instability is just debilitating and exhausting."

The problem, Mr. Thomas said, is that the issue festered for too long, leading to an "incredible split in public opinion."

"I don't know if I would lay it on the Bush administration," he said in response to a reporter's ques-

tion during a briefing Friday at agency headquarters. "Collectively we learned a lesson. If we delay [dealing with a problem], there's less chance of getting a satisfactory resolution."

Mr. Thomas' career took flight in 1974 when he began studying the bird as a Forest Service wildlife biologist in La Grande, Ore.

Mr. Thomas, 59, headed four separate teams to help the government develop a plan to preserve the owl and protect the region's old-growth forests, and he drafted the report that called for drastic logging cutbacks.

Last spring, Mr. Clinton asked Mr. Thomas to head the panel that developed options for managing these forests and settling environmental lawsuits.

When Mr. Clinton named him as the agency's 13th chief, a property-rights group called People for the West said the president "could have done no worse than Mr. Thomas if he had replaced the chief's desk with a birdcage and named a spotted owl to head the Forest Service."

While outraged timber companies questioned whether an owl could change its spots, Mr. Thomas also faced criticism from environmentalists. Each side accuses him of "being in bed" with the other, Mr. Thomas said.

Last month, the nonpartisan Center for Public Integrity issued a report called "Sleeping With the Industry: The U.S. Forest Service and Timber Interests." It depicted Mr. Thomas as a potential reformer hamstrung by Agriculture Department superiors.

Asked about the sniping from both sides, Mr. Thomas said only, "I'll leave the gunfighting to someone else."

As if Mr. Thomas did not have enough troubles, hunters and rockhounds recently screamed over proposed rules that would restrict firearms and fossil collecting in the forests.

"We had no intention of banning hunting in national forests," said Mr. Thomas, whose official agency biography says he enjoys elk hunting. The Forest Service merely was reiterating a longstanding policy against hunting near campgrounds, picnic areas and certain roads, he said.

And the fossil rule was aimed at commercial collectors, he said.

"I see myself as a senior scientist on temporary assignment as chief of the Forest Service," he said when asked how he felt about his first six months in Washington. "I didn't just come into town and fall off the turnip truck. Things [in Washington] don't work exactly as they do in the civics book."

On the Brink With North Korea

Tiring of cat-and-mouse bargaining with North Korea over its nuclear program, the two Senate leaders, George Mitchell and Robert Dole, want to rush to impose economic sanctions. Their impatience is especially ill timed: international inspectors arrived yesterday at the site of the North's nuclear reactor, which has been shut down for refueling. A move to sanctions is almost sure to get them sent home.

Washington's top priority is to prevent North Korea from diverting spent nuclear fuel to bombs while refueling. The inspectors' presence over the coming months is the best guarantee that that will not happen. Only if North Korea impedes the inspectors from witnessing the refueling would immediate sanctions be warranted.

The Senators are understandably disturbed that the North is resisting inspectors' efforts to determine whether it diverted nuclear material to bombs in the past, and if so, to restore that material to international safekeeping.

But first things first. As long as the North allows the inspectors to monitor the refueling and prevent any new diversion, bomb-making will be held in check. Washington can meanwhile negotiate with Pyongyang about untangling its past nuclear history when high-level talks resume.

The North seems to be amenable to inspection of the refueling. That, in turn, could open the way to a deal allowing investigation of the past. Refueling a reactor takes time — at least two months, to unload thousands of fuel rods. The rods and spent fuel have to be handled with care; they are brittle, hot, toxic and radioactive. They must be removed and placed in water-filled storage tanks.

The fuel rods themselves are made of low-enriched uranium, which cannot be used for bomb-making without further enrichment, a process the

North is not believed to be equipped to do. But the spent fuel also contains plutonium, which, when separated, can be fabricated into bombs.

The International Atomic Energy Agency has cameras in place to record the refueling, which inhibits diversion of the spent fuel. But the inspectors' presence would give the world added confidence that no diversion can take place. If the North does not intend to make nuclear arms, it has an interest in assuring the world of that.

The inspectors also want to draw samples from the reactor core. Those samples, when assayed, could help determine whether any diversion had taken place in 1989, before inspections began. As long as the inspectors can catalogue and store samples of the core for subsequent assaying, they may be able to retrace the North's nuclear history. But the North may want a deal with Washington before allowing that to happen.

The Clinton Administration has rightly said it would negotiate with North Korea as long as it was assured the North was not diverting nuclear fuel and separating and reprocessing the plutonium in it. But the North's cooperation with inspectors has been grudging and fitful. In March it kept inspectors from taking swabs and radioactivity readings to ascertain whether any reprocessing had occurred over the past year. Now, however, if the North allows the inspectors to complete the work they began in March and to monitor the refueling, as it has pledged, the way would be open to resumption of high-level talks.

At those talks, the North could trade a verifiable end to its nuclear program in return for U.S. diplomatic recognition, security assurances and political and economic ties. That will take patient diplomacy, not rash sanctions. But why be in a hurry to go over the brink with North Korea?

Bad Backdoor Deal on Health Care

Chairman Dan Rostenkowski of the House Ways and Means Committee has offered a prominent group of health insurers a deal on health care reform. Mr. Rostenkowski promises to drop several provisions odious to the insurers if they agree to stop squawking about others. The proposed deal might be a victory Mr. Rostenkowski — who is fighting to save his chairmanship by plea-bargaining with prosecutors over accusations of financial improprieties; it might be good for the insurance companies. But it looks bad for everyone else.

The Health Insurance Association of American paid for the "Harry and Louise" television commercials, which used exaggerated claims to scare Americans silly about President Clinton's health reform plan. To ward off further attacks during a critical negotiating period, Mr. Rostenkowski would give insurers the right to offer coverage to only part of the population and base premiums on the medical experience of the patients they choose to insure.

That could reproduce one of the worst ills of the current system — allowing insurers to shun the chronically ill and confuse consumers. True, the Rostenkowski deal — first reported in The Wall Street Journal — would call on states to penalize plans that cater only to the healthy. But policing a balkanized system could prove very difficult.

In exchange for concessions, the insurance companies would promise Mr. Rostenkowski not to use television commercials to campaign against two measures that he wants to keep but that this page has pinpointed as defects: price controls and an expanded Medicare system for the uninsured.

Price controls, also in the President's plan, would strike a blow against quality — preventing health plans from spending to innovate and improve because they would not be allowed to recover their costs by raising premiums. And an expanded Medicare system is a backward-looking idea compared with the President's proposal of giving everyone a choice of affordable private health plans.

By contrast to Mr. Rostenkowski's misstep, Senator John Breaux of Louisiana proposed to fill a gaping hole in the otherwise fine bill that he has co-sponsored with Representative Jim Cooper of Tennessee. His managed-competition approach, however, lacked any method for covering all the uninsured; now he proposes to add an employer mandate — a requirement that employers buy insurance for their workers.

As Senator Breaux points toward a winning bill that achieves health-care reform, Mr. Rostenkowski speeds toward a compromise that wins votes at the expense of workable reform.

Misleading
+ Ads
new

Health Care Ads

For the most part, the war on health care appears to be taking place inside the beltway.

At this point it appears, the newspapers ads have primarily been in the Washington Post. The television ads have primarily been on Inside Politics.

United States Surgical Corporation
150 Glover Avenue Norwalk, CT 06856
203/845-1000

The Committee for National Health Insurance
1757 N Street N.W. Washington, D.C. 20036
202/223-9685

The Coalition for Health Insurance Choices
(Funding by Health Insurance Association of America)
1025 Connecticut Avenue N.W.
Washington, D.C. 20036

This group has ads in at least the NYT and W.P. and is running ads with a 1800 number everyday on CNN.

Merk
Fortune Magazine's Annual Survey of Corporate Reputations

Prudential

Electronic Data Systems Corporations

The American Occupational Therapy Association Inc.

Pharmaceutical Research Companies

Columbia Medical Plan (Maryland HMO)
This is a self-promotional ad

Gay Men's Health Crisis (addresses AIDS)

International Chiropractor Association
1110 North Glebe Road, Suite 1000
Arlington, VA 22201

America's Consumer-Owned Rural Electric Co-ops
The National Rural Electric Cooperative Association
1800 Massachusetts Avenue N.W.
Washington, D.C. 20036

Empire Blue Cross and Blue Shield (New York)
Box 1960
New York, NY

**In addition to all this - there was at least one ad for *Money Magazine* that hit on managed care.

4 *The Alliance for Managed Care*

including: AETNA

CIGNA

METLIFE

THE PRUDENTIAL

THE TRAVELERS

An Open Letter To President and Mrs. Clinton On Containing Health Care Costs

New surgical technology is reducing our national health care costs by billions of dollars while improving patient care and adding billions of hours to American productivity.

The exciting corollary is that the surgical instrumentation involved represents only two percent of American hospitals' operating budgets. However, the way we invest this two percent will impact the remaining 98% significantly.

Medical technology, properly used, can be a major factor in reducing the total costs of health care in America, while providing a better quality of life for everyone.

Just three years ago, all gallbladder surgery in the United States was performed through a six- to eight-inch incision. Patients were in the hospital five to eight days and endured a painful four- to six-week recovery period at home.

Today, thanks to new laparoscopic surgical techniques, the lengthy incision is replaced by four quarter inch punctures. Patients go home the next day and are back to full productivity within a week, and pain is almost totally eliminated.

- Last year, 500,000 Americans underwent laparoscopic gallbladder surgery.
- 3 million days of hospital stay costs were eliminated.

- 2.5 million weeks of insurance reimbursement were eliminated.
- 100 million hours were added to American productivity.

Gallbladder surgery is just the tip of the iceberg.

Hysterectomy patients, when operated on laparoscopically, go home in one to two days and are back to full function in ten days, compared to a four- to six-day hospital stay and six debilitating weeks of recovery time when the procedure is performed using the open technique.

Hernia patients are back to full function within a week. Patients requiring intestinal and lung surgery are also beginning to benefit from laparoscopy. Arthroscopy, a cousin to laparoscopy, is revolutionizing

knee surgery and reducing costs dramatically. There are dozens of other procedures where laparoscopic technology and other advanced surgical techniques can produce significant savings while enhancing patient care.

Most of these procedures are performed with economical, single use devices which eliminate the risk of AIDS or other blood-borne contamination during surgery.

If we are truly to rein in health care costs' explosive growth, it is imperative that your upcoming health care program recognize and incent the use of technologies and medical instrumentation that cut costs, and that the program does not shortsightedly cap the purchase of instrumentation or technology that may cost more up front, but can result in significant reductions in the overall cost of treating patients.

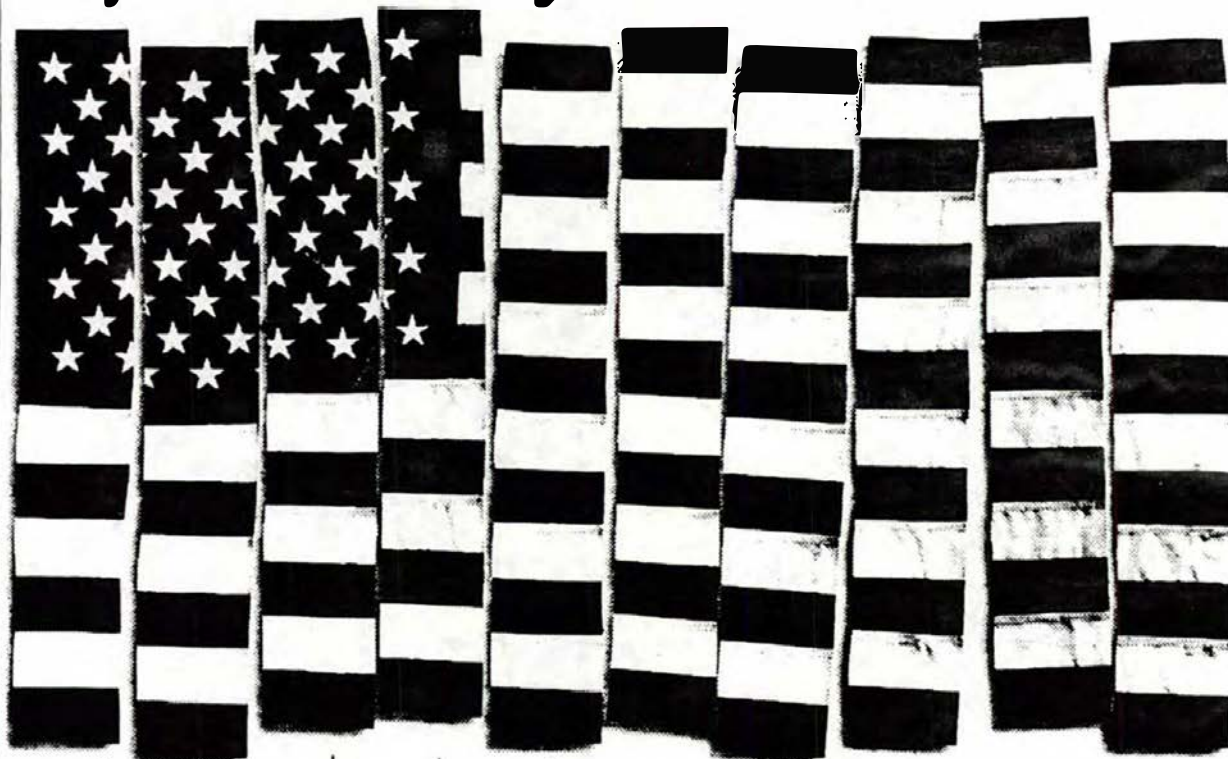
With 25 years of experience in surgical cost reduction technology, we would very much like to provide our advice and counsel. We hope you will give us the opportunity.

Sincerely,



Leon C. Hirsch
Chairman
United States Surgical Corporation

Health care reform in America... without each of these principles, it just won't fly.



If anyone's excluded it's not real reform.

A national-state partnership is needed.

People want to choose their own doctor.

Administrative waste has to be cut.

Consumer voice must be heard and acted upon.

Cost controls must be real and enforceable.

Benefits must be comprehensive.

Quality of care must be protected.

Private insurance should play a role.

~~Piecemeal changes aren't enough.~~

America's had enough piecemeal solutions. It's time for a program that makes health care reform a practical, legislatively-passable reality.

The Health Security Partnership does just that. Rooted in efforts begun by the Committee for National Health Insurance in 1968, this is the only plan created by respected health experts, after years of careful work.

Unlike other plans, the Health Security Partnership tackles the *entire* problem—organization, access, delivery, quality and cost. So not only is it comprehensive and accessible to all, it's *achievable*—through pragmatic, enforceable cost constraints.

Today, the Health Security Partnership gives America a unique chance to do the right thing. To replace

our failing patchwork system with major reform, not major trade-offs.

Write Congress and let them know you support that reform with the Health Security Partnership. And for complete details, contact the Committee for National Health Insurance. It's the totality and reality America's been waiting for.

The Committee for National Health Insurance. Where reform meets reality.

1757 N Street, N.W., Washington, D.C. 20036 (202) 223-9685 Douglas Fraser, Chairman, Committee for National Health Insurance and former President, United Automobile Workers; Melvin Glasser, Director, Committee for National Health Insurance; Rashi Fein, PhD, Chairman, Technical Committee CNHI and Professor, Harvard Medical School.

HOW DO WE GET THE HEALTH CARE REFORM AMERICA WANTS?

We begin by talking with Americans—including health care experts—to find out just what America wants and needs in health care reform. And what America *doesn't* want or need.

We've talked for many months with consumers, business leaders, health care providers, insurers, veterans, labor, seniors and others. The result is a health care proposal that guarantees benefits everyone can get, everyone can afford and no one can take away.

What we have learned is encompassed in a framework for health care reform and embraced by the Coalition for Health Insurance Choices and the Health Insurance Association of America. Now we're reaching out to Americans with this proposal.

OUR FRAMEWORK FOR REFORM CAN DELIVER THE BEST HEALTH CARE IN THE WORLD FOR EVERYONE IN AMERICA.

- **Cradle-to-grave universal coverage.** so everyone is covered for primary doctor and hospital services, and preventive and catastrophic care.
- **Tough insurance reform.** such as no exclusions for pre-existing conditions. You keep your coverage even if you change or lose your job. And you can't be canceled after you get sick.

- **The government's role is very limited.** Employers and consumers choose doctors, types of coverage and insurance plans.

- **Costs are controlled** through innovative, private-sector managed care programs. Malpractice lawsuits that result in unnecessary tests and medical procedures that America *doesn't* need and can't afford, would be restrained.

What we *don't do* is let the government run our health care system through mandatory and monopolistic insurance purchasing schemes. That approach would take away your freedom of choice about health care and force most people to belong to one of a handful of insurance plans selected by a government agency.

Our proposal delivers quality health care for everyone in America. A choice of health coverage that everyone can get, everyone can afford, and no one can take away.

THAT'S THE HEALTH CARE PLAN THAT AMERICA WANTS.

For a copy of the framework for health care reform that America wants, or to join with us in the Coalition for Health Insurance Choices, call today.

1-800-285 HEALTH

Together we can be sure that Americans get the health care reform they want.



COALITION FOR HEALTH
INSURANCE CHOICES

1025 Connecticut Avenue N.W., Suite 1100
Washington, D.C. 20036

Funding provided by the Health Insurance Association of America

HLIAA

WP 4/25/13

HEALING HEALTH CARE THROUGH COOPERATION NOT CONFRONTATION

An open letter to Government leaders and all Americans
concerned about health-care reform:

As a physician, I am deeply concerned about the state of our nation's health-care system. It is sick — not terminally ill by any means — but under great stress from costs that have gone up too fast and from inadequate care for 37 million Americans who lack insurance.

Like any serious illness, leaving this one unattended would be irresponsible and self-destructive. It would threaten our people's physical health and our nation's economic strength.

But the problem is very complex, reflecting the diversity of our society. And in our eagerness to fix it, the worst thing would be to look for a quick fix. In this case, we need a search for truth, not for scapegoats.

Unfortunately, the truth has been lost twice in recent searches for scapegoats: last week when America's immunization crisis was blamed on the rising price of vaccines; and earlier, when the Senate Special Committee on Aging reported that we at Merck broke our pledge not to raise prices faster than inflation. In both of these cases, information that was essential to understanding the whole truth was left out.

The truth is: vaccine distribution, not cost, stands between our children and full immunization. It is misleading to ignore the Government's own findings of why so many children aren't being vaccinated. A 1991 report by the National Vaccine Advisory Committee cited 13 barriers to immunization, none of which was the cost of vaccines.

A separate study by the Centers for Disease Control said the Government's delivery system was missing many children in rural areas and inner cities — children whose shots are already provided free by the public health clinics.

Comparing today's price for complete immunization to that of 10 years ago misses the mark for other reasons too.

- 1) In 1988, the Federal Government added an excise tax onto the price of all pediatric vaccines to fund The Childhood Vaccine Injury Compensation Act.
- 2) As a benefit of new research, children are now being immunized with two additional vaccines to provide protection against two serious infections: Hib meningitis and hepatitis B.

Fully 80% of the increase in cost to vaccinate children was due to these two factors. Only 20% was due to price increases.

Merck is a world leader in children's vaccines, and, for the last two years, our price to the Federal Government for our M-M-R[®] II vaccine (Measles, Mumps, Rubella) has been unchanged. I think our vaccine that protects children from three potentially debilitating diseases provides outstanding value for the \$10.89 per dose it costs the Federal Government. As the President has noted, every dollar invested in immunization saves \$10 in avoidable health-care costs.

I would also like to address the Senate Committee's report that said Merck broke its pledge not to raise prices faster than inflation. We take this charge very seriously, because it questions Merck's most valuable asset — our integrity and corporate reputation.

The truth is: Merck kept its promise, and we will continue to do so.

Three years ago, we were the first pharmaceutical company to pledge not to raise our prices faster than

inflation, calculated on a weighted average basis across our entire product line. We defined inflation as measured by the Consumer Price Index. And we have most definitely kept our pledge.

In 1992, for example, we didn't even recover inflation, because the end result of all our pricing actions — increases, rebates and discounts — was only a 2.7% increase. For the full three years, inflation in the United States averaged 4.0%, and our three-year price increases averaged 3.6%.

That's a far cry from how Merck was portrayed in the Senate Committee report. Unfortunately, the report focused on only 10 products rather than the entire 76 products in our line. This was misleading and unfair.

Like the Clinton Administration, Merck is sincere about improving health care — but the search for solutions must be honest and complete. Prescription drugs account for less than 7 cents of every health-care dollar. And good medicines save more money than they cost by keeping people out of hospitals, out of operating rooms, and out of nursing homes.

I strongly encourage Government officials to work with companies like Merck — companies striving to solve our problems. We are participants in the health-care system. We have insights that we'd like to contribute to any discussion of health-care reform. What's more, we're

eager to work with Government leaders and health-care providers to bring about meaningful changes that improve the lives of all Americans.

We are dedicated to improving health care. That's why Merck plowed back over \$1.1 billion into research and development in 1992 in a tireless effort to conquer AIDS, cancer, Alzheimer's and other devastating diseases.

I want our leaders and all Americans to know that Merck is true to its word. We weren't named "America's Most Admired Corporation"® seven years in a row based on deceit and broken promises. We stand by our pledge, and we stand by the record.

Merck is committed to helping cure America's health-care ills. But to do so, we need unwavering cooperation from every American, both inside and outside of Government. Above all, we need dedication to the truth — the whole truth.

Roy Vagelos

P. Roy Vagelos, M.D.
Chairman & Chief Executive Officer
Merck & Co., Inc.



MERCK

® 1992, Merck & Co., Inc. Annual Survey of Corporate Reputation



This doesn't have to be the only entry to the health care system for millions of Americans.

Increasingly, emergency rooms are treating patients who have little or no access to other means of health care. Many of these cases result in costly hospitalizations and follow-up treatments which contribute greatly to this nation's health care costs.

Studies show that a significant number of these cases could have been prevented by early treatment and preventive health care programs.

That's why The Prudential believes

that Community Health Care Centers, Head Start satellite clinics, and other programs that encourage preventive medicine can lead to better care for the poor and disadvantaged. And why The Prudential is already supporting such programs through our non-profit foundation.

In addition, we believe the federal government, local government, and the health care industry should join together to support preventive health care programs like those mentioned above.

And keep as many Americans as we can out of the emergency room.

For more information about this subject and other ways that The Prudential is working for health care reform, write: New Approaches to Health Care, The Prudential, 751 Broad Street, 16th Fl., Newark, N.J. 07102-3777.

The Prudential 

6/12/93
W. J. P. 1965

In the great debate over health care, everyone agrees on one thing.

The current system needs to be changed. Last year, the nation's health care bill rose 12.1 percent to \$838 billion. At this rate, it will pass \$1 trillion by 1994 — more than the federal budgets for defense and education combined.

Where there is disagreement is in how we are going to change the system. Unless there is fundamental change — actually re-engineering how we deliver care — we will not be successful. It is also clear that overhauling the system's current information infrastructure is key to this evolution. Success requires changes in both areas.

EDS provides information-based business and health care solutions in partnership with key participants in the health care system. Results include: cutting the health costs

growth rate in half for one employer, saving \$1 billion over five years; saving the state of Massachusetts \$13 million with an electronic eligibility verification system; helping one HMO develop an integrated information system projected to save \$7–\$11 per patient visit.

With the integration of all relevant information, the quality of and access to care will also improve. Physicians will have access to more complete information, enabling them to make better decisions. Consumers will have health assessment and clinical advice at their fingertips.

No matter what road health care reform takes, information technology will play a critical role. The result will be improved quality of care, cost savings and greater access by this nation's populace.

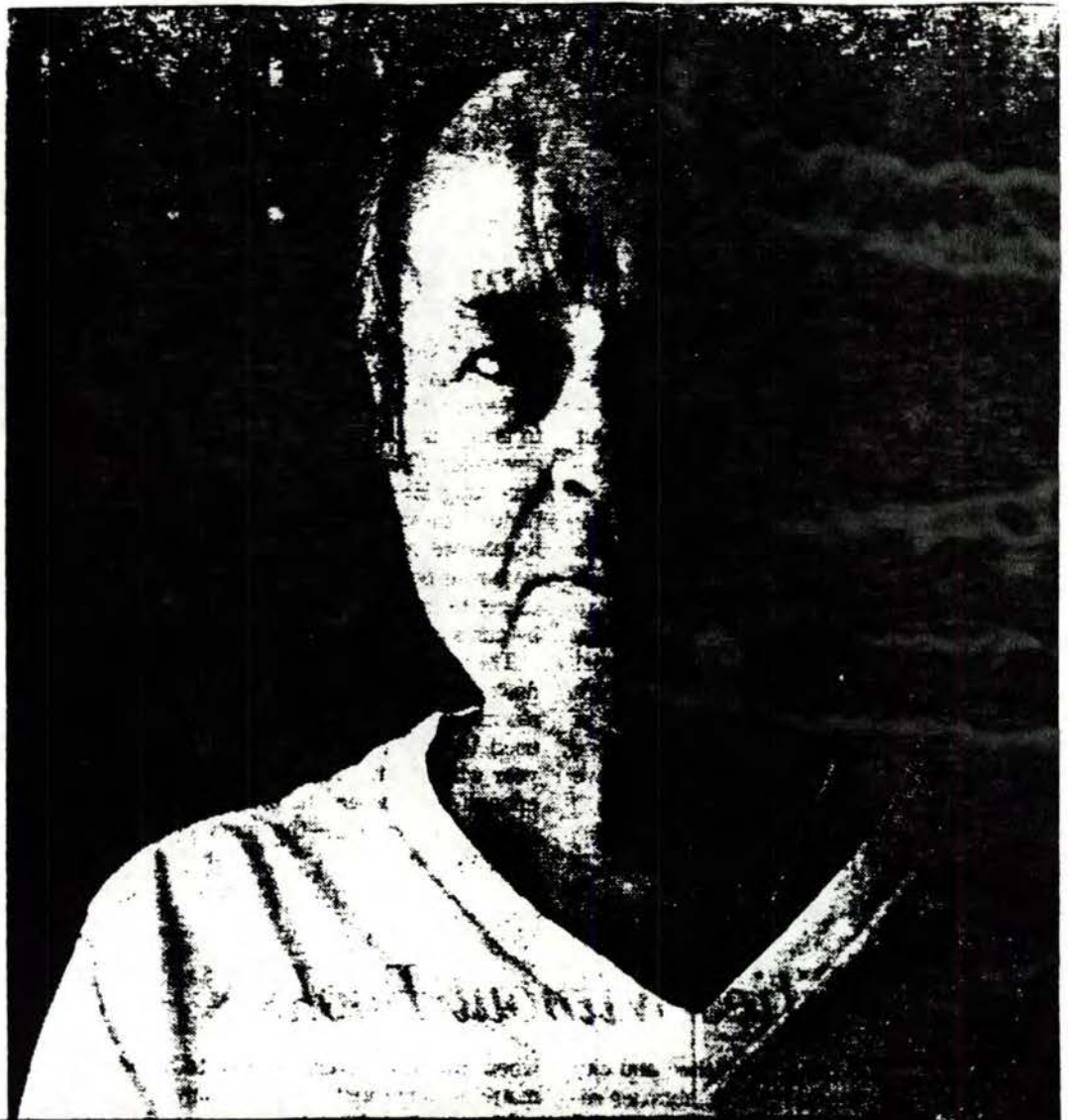
The EDS logo consists of the letters "EDS" in a bold, white, sans-serif font, centered within a solid black square.

Unfortunately, health care isn't this type of issue.

Nothing about our health care crisis is simple. However, the right of every man, woman and child to live as independently and productively as possible is a fundamental value we can all support. As health and rehabilitation professionals, occupational therapists have helped millions of people adapt to disabling conditions or recover from accidents or illnesses. In addition, studies have shown that rehabilitation saves at least \$11 for each dollar invested. And the need is far broader than most people think. Practically every family in America has a member who will eventually require rehabilitation services like occupational therapy. We believe the health care system needs significant reform. But it's not a black and white issue. In the middle ground of reason, rehabilitation services stand out as one of the compelling strategies for containing costs **and** improving the quality of life for all consumers of health care.



—The American Occupational Therapy Association, Inc.—



*Can't somebody please do something
about drug prices going up?*



We think so. We've asked the Justice Department to approve a plan under which
**A SOLUTION FROM
AMERICA'S PHARMACEUTICAL
RESEARCH COMPANIES** pharmaceutical companies could pledge
to limit average price increases to no more
than inflation. What's more, we'd provide
for government monitoring of our perfor-
mance. For more information on this, and
other measures we support to make healthcare accessible to all Americans, call the
Pharmaceutical Manufacturers Association at 1-800-538-2692.

1.8 4.13.96



All I know is my little girl needs medicine.

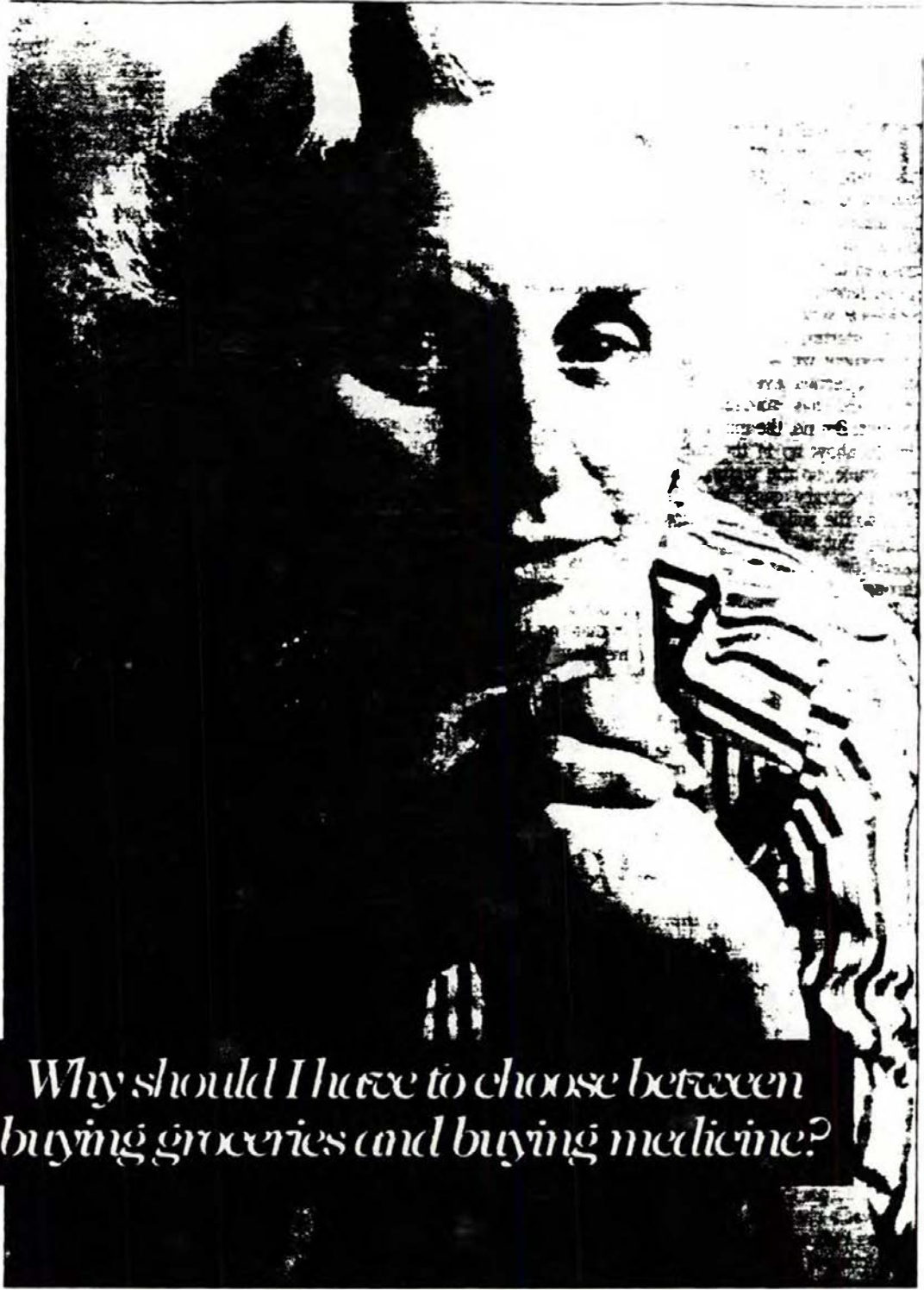
And I can't afford it.

America's pharmaceutical research industry works to develop medicines for every-

**A SOLUTION FROM
AMERICA'S PHARMACEUTICAL
RESEARCH COMPANIES**

one. And everyone, especially the poor and the elderly, should be able to have them. That's why we support prescription drug coverage under Medicare, and under Medicaid up to at least 100% of the poverty

level. For information on this, and on our proposal to restrain price increases, call the Pharmaceutical Manufacturers Association at 1-800-538-2692.



*Why should I have to choose between
buying groceries and buying medicine?*

No American should have to make that choice. That is why we support healthcare reform, with coverage for all prescription medicines. Until that is implemented, the pharmaceutical industry continues to provide millions of dollars of free medicines to those in need. For information on the indigent medicines program and company proposals to restrain price increases, call the Pharmaceutical Manufacturers Association at 1-800-538-2692.

**A SOLUTION FROM
AMERICA'S PHARMACEUTICAL
RESEARCH COMPANIES**

WP 4/8/93

Soon,
the
President
will unveil
his health
plan.
Ours is
already up
and
running.

After months of study and thousands of man hours, Bill Clinton will present his health plan to the nation. Mr. President, we could have saved you a lot of time.

Columbia Medical Plan has had a sensible solution to many of the problems the President's Plan will address. And we've been alive and well for over 20 years.

We believe in prevention. We know that the most cost-effective plan is the one that keeps you healthy. And we're designed to meet that goal.

We have over 175 primary- and specialty-care doctors who are required to become board-certified. Plus labs, x-rays, pharmacies, urgent care facilities – you name it – all right here, under one roof. And depending on your needs, we can also provide

comprehensive dental and vision programs.

Members' extensive coverage includes hospitalization, maternity, prescriptions, lab work – everything from radiology to cardiology. There's even an option that allows members to use doctors outside of the plan.

We must be doing something right. Our members stay with



us an average of 8 years, significantly longer than any other HMO in Maryland.

For quality, affordable health care, have your employer call Columbia Medical Plan at 1-800-262-PLAN. Because while most people think the President's Plan may work, we've already proven ours does.

*Columbia Regional Medical Center • Annapolis Regional Medical Center • Frederick Medical Center
 Carrolltown Medical Center • Ellicott City Medical Center • Laurel Medical Center
 Crofton Medical Center • Old Mill Medical Center • Pikesville Medical Center*

WILL WASHINGTON FINALLY DELIVER ON AIDS CARE?

- ▼ Fully fund the Ryan White CARE Act – federal AIDS relief for hard-hit cities and all 50 states.

- ▼ Give the scientists battling AIDS the support they require... don't let politicians cut the research budget.

- ▼ For the first time since the AIDS epidemic began, spend what's needed to launch a nationwide education program to prevent the transmission of HIV.

- ▼ Make sure there's enough money to expand treatment for substance abuse, including crack abuse, and to integrate HIV education and care into existing treatment programs.

- ▼ Appropriate full funding for the AIDS Housing Opportunities Act so nobody living with AIDS has to live on the streets.

Washington has made plenty of promises to address the nation's AIDS epidemic. For more than a decade, it has broken every one of them.

President Clinton's budget recommendation will show if he is serious about honoring his pledge to care for those with HIV, prevent new infections, develop new treatments and find a cure.

He must start by fulfilling the promises Washington has already made...and repeatedly betrayed.

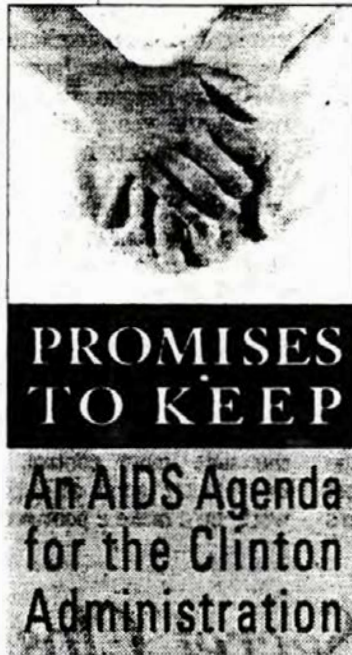
Prime example? The Ryan White CARE Act, passed overwhelmingly in 1990, promised emergency help to America's hardest-hit cities and all 50 states. Three years later, Congress has granted only one-third of the funds the law says are needed.

As for research to develop effective treatments for the infections caused by HIV and to find a vaccine, the politicians in Washington have never given U.S. scientists the support

they have asked for. Research delays cost more lives every day.

What about the vital investment in prevention education? AIDS diagnoses have soared over 20% in the past 12 months, yet the federal government actually *scaled back* its prevention efforts last year. Stricken communities have learned on their own that only sustained educational campaigns are effective. That lesson must be applied with federal backing.

Without adequate funding, federal legislation is an empty shell. We call on President Clinton to honor his solemn commitment to AIDS care.



GMHC
GAY MEN'S HEALTH CRISIS

Gay Men's Health Crisis, Inc. is the largest and oldest AIDS organization in the U.S. providing services, education and advocacy for men, women and children with AIDS. To support our work, please call (212) 337-1242 or write us at 129 West 20th Street, New York, NY 10011.

This ad is a paid for ad and the content is not

President Clinton and the White House Health Care Task Force

Dear President Clinton:

We in the chiropractic profession recognize the urgent need to reform our nation's health care system to extend access to quality health services to all our citizens and to contain health care costs. In this effort, however, consumer choice and basic patient freedom must not be eroded since patient involvement is the best guarantee of quality service. As you develop your health care reform plan, we urge you to remember that every day across our nation more than a million consumers of all ages, from infants to the most senior of our citizens, visit the offices of doctors of chiropractic for health care that is safe, effective and clinically appropriate. Chiropractic patients receive care from highly trained and skilled health care professionals who apply the highest technical and ethical standards to their practice.

Chiropractic is the second largest primary health care profession in the United States and the fastest growing primary care profession in the world.

There are approximately 50,000 DCs in active practice in the United States spread from rural areas to inner cities. More than 10,000 students are currently studying in chiropractic educational programs accredited by a federally-recognized body. Doctors of chiropractic have been licensed and recognized as primary providers for many decades in all 50 states, the District of Columbia and Puerto Rico.

Doctors of Chiropractic provide clinically effective health care.

Detailed studies conducted according to the highest scientific standards, and published by organizations as diverse as the RAND Corporation and the British Medical Association, continue to show the clinical effectiveness of chiropractic care.

Doctors of Chiropractic provide cost-effective care.

Studies have consistently shown chiropractic to be a more cost-effective method of caring for neuro-musculoskeletal conditions, thus offering significant cost-containment potential to our health care system. DCs are trained to employ conservative, early-intervention methods as an alternative to surgical utilization, drug therapy and other high-cost treatments with a high degree of efficiency and patient satisfaction. Chiropractic is recognized by governmental health care programs. Chiropractic is included in Medicare, Medicaid, Federal Employees Health Care Benefits Programs, Federal Workers' Compensation and all state workers' compensation programs. Chiropractic students are qualified to receive federal student loan assistance and DCs are authorized to be commissioned as health care officers in the U.S. Armed Forces.

Doctors of Chiropractic receive extensive, demanding professional education on par with other primary health care providers.

To receive the degree of Doctor of Chiropractic, candidates must complete extensive undergraduate prerequisites and complete four years of resident, full-time instruction in an accredited program. Students are thoroughly trained in the appropriate use of sophisticated diagnostic technology including X-ray, laboratory procedures and other state-of-the-art investigative technologies. The capacity to fully evaluate the health care needs of the patient, including appropriate referrals to other health professionals when necessary, is an important objective of chiropractic education.

Chiropractic services are in high demand.

Tens of millions of American consumers routinely opt for chiropractic services and this number is rapidly growing. In 1993, more than 30 million consumers will make chiropractic a regular part of their health care program, even though personal out-of-pocket expenditures may be minimal. If there is one primary health care profession that can point to private sector demand and to marketplace viability for economic validation, it is chiropractic.

The chiropractic profession believes in freedom of choice of health care and patient autonomy and informed consent.

Individual consumers must be free to select the system of health care they feel best meets their needs. This freedom should include the right to select chiropractic care. The chiropractic profession also believes that consumers must be provided with accurate risk and outcome information on all health care procedures so that they may make truly informed judgments about procedures such as surgery, drug therapy, etc.

Chiropractic offers a significant alternative to traditional medicine.

A recent New England Journal of Medicine article affirmed that Americans made more visits to non-M.D. providers (425 million visits) than to all U.S. primary care M.D.s (388 million visits). Expenditures associated with use of alternative therapy in 1990 amounted to approximately 13.7 billion dollars. The figure is comparable to the 12.8 billion dollars spent out-of-pocket annually for allopathic hospitalization in the U.S. One out of three Americans routinely uses alternative health care.

This message is presented by the thousands of student members of the International Chiropractors Association, future doctors of chiropractic currently studying at accredited chiropractic institutions across the United States.

ICA

HOW THE COUNTRY GETS THINGS DONE

ONE IN A SERIES
.....



When the new general practitioner and his wife arrived in Weiser, Idaho, they were welcomed with a parade and a barbecue. Not surprising when you hear that only a handful of new doctors plan to practice in rural areas. And that's only a small part of the health care problem that rural communities face. That's why a number of rural electric co-ops are helping to get something done. In Lindsay, Oklahoma, the only hospital was kept

open after the folks at the local co-op went to work rallying public support for a special sales tax. In other parts of the country, co-ops help keep ambulances running, organize community health fairs and provide satellite hook-ups between medical facilities. Why are rural electric co-ops so involved? Because we know that good health care is essential for economic prosperity. So what we're doing for a healthier community is good medicine for the economy too.



America's Consumer-Owned Rural Electric Co-ops

• National Rural Electric Cooperative Association, 1800 Massachusetts Avenue, N.W., Washington, DC 20036

**New York Times April 20, 1993 Page
A29 (Editorial Page)
1/4 PAGE**

HOW DO WE GET THE HEALTH CARE REFORM AMERICA WANTS?

We begin by talking with Americans—including health care experts—to find out just what America wants and needs in health care reform. And what America *doesn't* want or need.

We've talked for many months with consumers, business leaders, health care providers, insurers, veterans, labor, seniors and others. The result is a health care proposal that guarantees benefits everyone can get, everyone can afford and no one can take away.

What we have learned is encompassed in a framework for health care reform and embraced by the Coalition for Health Insurance Choices and the Health Insurance Association of America. Now we're reaching out to Americans with this proposal.

OUR FRAMEWORK FOR REFORM CAN DELIVER THE BEST HEALTH CARE IN THE WORLD FOR EVERYONE IN AMERICA.

- Cradle-to-grave universal coverage, so everyone is covered for primary, preventive and catastrophic care.
- Tough insurance reform goals, such as no exclusions for pre-existing conditions. You keep your coverage even if you change or lose your job. And you can't be canceled after you get sick.
- You, not the government, choose your doctor, your type of coverage and your insurance company. The government's role is very limited.

•Costs are controlled through innovative, private-sector managed care programs. We restrain malpractice lawsuits that result in unnecessary tests and medical procedures that America doesn't need and can't afford.

What we *don't do* is let the government run our health care system through mandatory and monopolistic insurance purchasing schemes. That approach would take away your freedom of choice about health care and force most people to belong to one of a handful of insurance plans selected by a government agency.

Our proposal delivers quality health care for everyone in America. A choice of health coverage that everyone can get, everyone can afford, and no one can take away.

THAT'S THE HEALTH CARE PLAN THAT AMERICA WANTS.

For a copy of the framework for health care reform that America wants, or to join with us in the Coalition for Health Insurance Choices, call today.

1-800-285 HEALTH

Together we can be sure that Americans get the health care reform they want.

April 21, 1993 Page 19

FULL PAGE

New York Times



COALITION FOR HEALTH
INSURANCE CHOICES

1025 Connecticut Avenue N.W., Suite 1109
Washington, D.C. 20036

Funding provided by the Health Insurance Association of America

REAL HEALTH REFORM WOULD PUT PEOPLE BEFORE PROFIT

▼ All U.S. residents should be eligible for the same benefits under a universal health care plan. All medically-necessary health care should be covered.

▼ People must be free to choose their own health care providers.

▼ Any payments should be based on the ability to pay, not on a flat premium schedule or a system of co-payments and deductibles.

▼ The government's responsibilities must include global budgeting...redirection of health care to underserved areas...consumer involvement and education...confidentiality...quality assurance...no exclusion of pre-existing conditions...access to care during the transition to a new plan...and continuing support for targeted public health programs.

People with AIDS are not alone in suffering from the failures of America's current health care system. The breakdown affects us all. Yet people living with AIDS and other disabilities know better than anyone else how threadbare the current network really is. And they've had longer to think about what genuine reform requires. That's why the Clinton

Administration's focus on a "managed care" plan is so disturbing.

To cover everyone comprehensively while lowering overall cost, we have to get rid of those who extract money from health care without delivering health care: the private insurance companies. Yet "managed care" leaves insurance companies in control.

As consumers, we shouldn't be forced to go to the health care provider who bids the lowest service price and delivers the biggest profit to insurance companies — we need to be able to select the provider who serves us best.



PROMISES TO KEEP

An AIDS Agenda for the Clinton Administration

A "managed care" system puts the needs of private insurers, not patients, first. Fundamentally, nothing would change for those who need health care the most.

The real answer is the universal, single-payer system already working so well, at lower cost, in Canada and across Northern Europe...a system proven to keep people healthy and care for those who are sick.

The ultimate test of health care reform is whether it puts people before profit. If it doesn't work for people with AIDS, how will it work for anyone?

GMHC

GAY MEN'S HEALTH CRISIS

Gay Men's Health Crisis Inc. is the oldest and largest AIDS organization in the U.S., providing services, education and advocacy for men, women and children with AIDS. To support our work, please call (212) 337-1242 or write us at 129 West 20th Street, New York, NY 10011.

This ad is paid for with private contributions. Prepared by Public Media Center.

New York Times April 6, 1993
Page A23 1/4 Page

A13 1234

Ask Mike what he'd do if you took away the ulcer drug that's saving him from a \$25,000 operation.

When prescription drugs can save ulcer patients like Mike from surgery, obviously it's a good thing. What's not so apparent is how dramatically the same drugs reduce healthcare costs.

In 1976, the year before the introduction of the first modern anti-ulcer drug, there were 155,000 ulcer operations. By 1987, the number had dropped to under 19,000.

And today, while ulcer drug therapy costs a sizable \$1,000 a year, it is far less expensive than surgery which averages \$25,000, resulting in an estimated savings of \$3 billion a year.

America's healthcare crisis calls for this kind of cost-saving power. And new prescription drugs are our best hope for providing it.

For further information on how new medicines improve lives



Like Mike, millions of people can now avoid the trauma and expense of surgery with anti-ulcer drugs, saving about \$3 billion a year.

and save money, write or call The Pharmaceutical Manufacturers Association, 1100 Fifteenth Street, N.W., Box Y, Washington, D.C. 20005. 1-800-538-2692.

PHARMACEUTICALS
Saving Lives. Saving Money.

New York Times Magazine April 25,
1993 Page 65 FULL PAGE

A healthy dose of common sense.

If all of today's rhetoric makes you think the health care debate is only for the experts, think about this. The problems may be complex, but the solutions must be common sense.

And we have a plan you should know about.

Because it's also common sense that you, the public, should be an informed part of the debate.

The Crisis: Cost threatens access and quality.

Fifty years ago, Blue Cross created a system that made quality health care more affordable through insurance. The idea worked so well that, today, access to insurance is access to health care.

But in recent years, the soaring cost of care has created a spiral that works this way: 1. The cost of care makes the cost of insurance so high that people drop their insurance. 2. With fewer people to share the risk, insurance costs go even higher. 3. Since people who have no insurance tend to put off getting care until it's an emergency, they use the *most expensive* care of all—adding more to everyone's costs.

The result? Thousands of employers can no longer cope with high health care costs. Millions of people are now uninsured. Those who buy health care insurance on their own are desperate for relief from soaring premiums.

We *must* make quality health care affordable again.

Here's our plan.

Let's make the health insurance industry more efficient.

Our industry can save millions in administrative costs every year by creating a computer network that connects all insurers to all providers—doctors, hospitals, labs, everybody—and handles all bills and payments directly. Many insurers have much of the technology in place today.

While we're at it, let's simplify our differing insurance products for individuals and small groups so customers can make easy, accurate comparisons.

Let's make sure all insurers play fair with the system.

As of April 1, landmark state legislation stops commercial insurers from discriminating against individuals and small groups in order to avoid risk because of age, sex, occupation or state of health.

Unfortunately, insurers are still free to avoid risk by only insuring large groups. We need a new law that makes the point clear: If you want to insure in New York, you must be willing to insure *all* New Yorkers.

Let's put managed care to work for everyone.

In a world of endless medical choices, it's essential to make sure people get the right care, in the right place, at the right time—and with the best outcomes. Right now, studies show that 20–30% of medical procedures are unnecessary. Managed care can help people avoid needless risk.

All insurers must use their expertise to build networks of the best doctors, hospitals, labs, pharmacies, equipment suppliers—all health care providers. Not only to negotiate better prices for customers, but to pinpoint and promote the most effective care. And to encourage regular checkups, preventive medicine and healthier lifestyles as well.

We believe key elements of managed care should be incorporated into every health benefits package.

Let's get a firm grip on the cost of care.

Our health care system is a victim of wasteful duplication, excess capacity and needless expense.

Since hospitals are the largest part of health care cost, let's use New York's rate-setting mechanism to make sure their spending is appropriate. And let's develop regional plans to coordinate their services into an efficient system.

The same philosophy should apply to all providers.

For instance, the proliferation of physician-owned labs, MRI units, etc., fosters duplication and overcapacity. So let's require a Certificate of Need for costly out-of-hospital facilities and equipment the way we now do for hospitals. Let's also ban physicians from sending patients to facilities they own. And let's subject their fees to fair, negotiated guidelines that encourage primary care.

As part of the ongoing battle against fraud and abuse, let's also license all providers—including the suppliers of home medical equipment.

Let's end the fear that raises cost.

Today, fear of malpractice litigation causes doctors to perform costly, often needless, procedures as a form of "defensive medicine." And expensive malpractice insurance forces them to raise their fees.

We need a new law that draws the line between restitution and opportunism. A law that deals fairly with liability and encourages arbitration rather than litigation.

Let's get everyone back into the system.

One of the most costly parts of today's health care system is the two million New Yorkers who are not in it.

Most are working people who can't afford insurance and can't get it through their employer.

Many of them may wind up in emergency rooms and clinics. Their bills will ultimately be paid. But at what cost? And at whose expense?

Right now, employers who participate are subsidizing those who don't. People in the system are subsidizing those who aren't. Clearly, it's better to subsidize insurance premiums than to subsidize emergency-room costs.

We need universal coverage for all New Yorkers.

All employers should provide a specified level of coverage for employees, with proper incentives and assistance for small companies.

The majority of the uninsured who don't qualify for Medicaid can be covered by money now used for hospital bad debt, charity care and excess malpractice insurance.

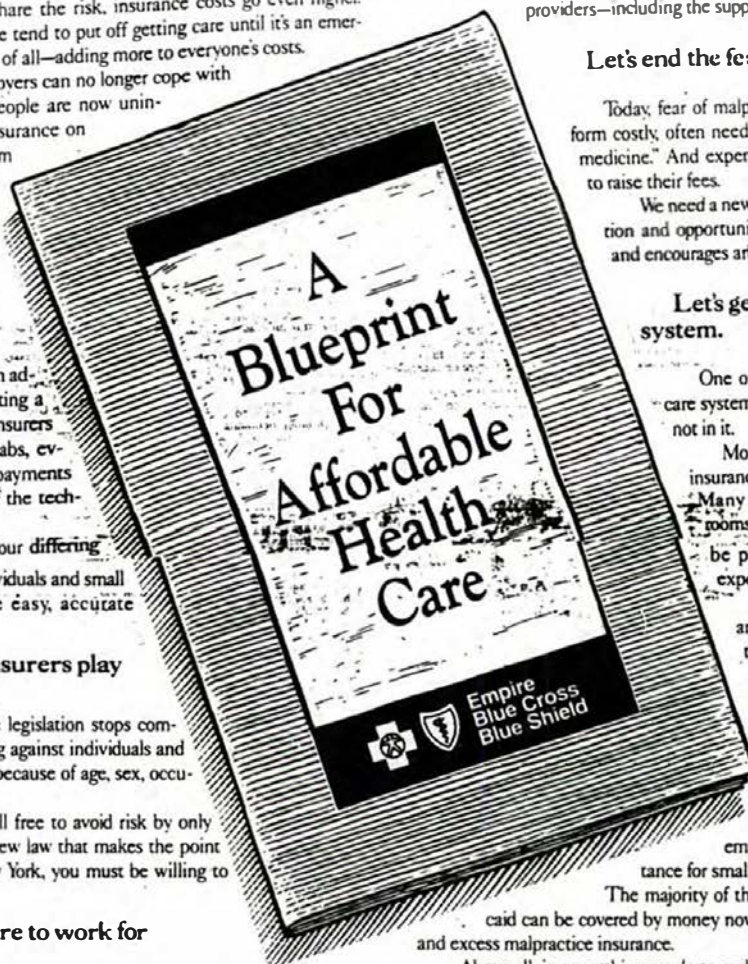
Above all, in everything we do to end this crisis, we must follow one common-sense rule: Never sacrifice quality for cost control.

And let's all be part of the discussion.

Changing our system will take time and energy. There will be controversy along the way. And while Congress is in the process of considering a national plan, there's still much we can be doing to solve New York's problems—now.

It's essential for you to be informed and participate. With that in mind, we've written a booklet that describes our proposals in more detail. For your free copy, write:

Blueprint, Empire Blue Cross and Blue Shield, Box 1960, New York, NY 10163.



New York Times April 13, 1993
Page A13 FULL PAGE



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Blue Cross
Blue Shield

®Registered Marks of the Blue Cross and Blue Shield Association

On Health Care Reform...

We Agree with America's Governors.

We believe in immediate and fundamental reform of America's health care system.



That's why we join the National Governors' Association and many others in endorsing "managed competition" as the best way to restructure that system.



We are working with the President, the Congress, our nation's Governors and others to make "managed competition" a reality.



We believe in fundamental change.

- ◆ Cover pre-existing conditions.
- ◆ Coverage must be portable.
- ◆ No cancellation due to illness.
- ◆ Choice of providers.
- ◆ Comprehensive benefits package.
- ◆ Certify health plans on ability to control costs.
- ◆ Establish real quality standards for providers.
- ◆ Purchasing pools for small business.
- ◆ Stiffen penalties for health care fraud.
- ◆ Immunize America's children.
- ◆ Reduce unnecessary paperwork.
- ◆ Expand preventive care.
- ◆ Enact medical malpractice reform.
- ◆ Cover all low-income Americans.

THE ALLIANCE FOR MANAGED COMPETITION

Providing Health Coverage for 60 Million Americans

AETNA

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THE PRUDENTIAL

THE TRAVELERS

**You have a rare
but treatable disease.**

**It could threaten
your life.**

**The experts are
meeting right now to
determine treatment.**

**The only problem
is, the experts didn't go
to medical school.**

**They went to
business school.**

Managed Care: Cure or Affliction?
Only in the April issue of Money.
It's the latest prescription for every-
thing ailing the health care industry.
But managed care — an arrangement
where treatment is based not merely
on a doctor's recommendation but
on the cost ramifications as well —
may not be the remedy its proponents



claim it to be. In fact, in the April issue
of Money, you'll discover that in
some cases, managed care saves
neither lives nor money. Speaking
of lives and money, you'll also find
an important article on career sur-
vival, as well as our exclusive insight
into the world's 12 best investments.
It's all in Money. At newsstands now.

Where American Dreams still come true.

**New York Times April 6, 1993 Page
D23 FULL PAGE**



This doesn't have to be the only entry to the health care system for millions of Americans.

Increasingly, emergency rooms are treating patients who have little or no access to other means of health care. Many of these cases result in costly hospitalizations and follow-up treatments which contribute greatly to this nation's health care costs.

Studies show that a significant number of these cases

could have been prevented by early treatment and preventive health care programs.

That's why The Prudential believes that Community Health Care Centers, Head Start satellite clinics, and other programs that encourage preventive medicine can lead to better care for the poor and disadvantaged. And why The Prudential is already sup-

porting such programs through our non-profit foundation.

In addition, we believe the federal government, local government, and the health care industry should join together to support preventive health care programs like those mentioned above.

And keep as many Americans as we can out of the emergency room.

For more information about this subject and other ways that The Prudential is working for health care reform, write: New Approaches to Health Care, The Prudential, 751 Broad Street, 16th Fl., Newark, N.J. 07102-3777.

The Prudential 

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