file

What's New at the White House? It's the Art, Stupid

Washington

It is a perfect moment in a place that hasn't had too many of them lately.

Sun beats down on the lush White House grass in the elegant rectangle known as The Jacqueline Kennedy Garden. The spherical tops of the topiary holly trees flourish formally, as does the hardy-orange, pruned to a Japanese standard of off-center fragility and bearing dozens of little fruit. A light breeze rushes through reminding us it's fall—and setting the bright steel paddles of the Calder stabile into languid rotation.

There are 11 other pieces of 20th-century American sculpture carefully placed between the hollies, vertical like the trees and in scale with them. This is definitely not the way Jackie O. left her garden. Indeed, the very presence of "modern" art in these purlieus had been ruffling some members of the press invited for a preview last week. Hearing one man's drooling cynicism on the way over to the garden, I shuddered at the prospect of another Clinton scandal in the making. What would it be called? Bronzewater?

Who knows? The New York Times and several other journalistic practitioners of *lese president* didn't send reporters or critics, perhaps out of fear that the poor guys couldn't help falling into the reflexive Clinton-bashing that the Times's News of the Week in Review section had wrung its hands over the previous Sunday. Or maybe the opening of "Twentieth Century American Sculpture at The White House" wasn't news precisely because no editor had any reason to think it would be anything more than a dandy little show. The headline on the stories that didn't get written could have been: **White House Embraces 20th Century: Modern Art of Our Grandparents' Time Finally Gets Foot in Door, Living Sculptors Too.**

This is, according to White House insiders, only the second time the art of this century has been formally exhibited at the White House. The first was a show of paintings by Andrew Wyeth welcomed by Richard Nixon.

Behind this apparent boycott of contemporary art is a strong and respectable sensitivity about the 19th-century purity of the White House interior. The Committee for the Preservation of the White House stands guard against philistine redecorations that would destroy the much redecorated building's authenticity. There is also a full-time curator looking out for the interests of millions of Americans who love the place the way they think it has always been and don't believe a Jackson Pollock would fit in the East Room next to the Gilbert Stuart portrait of George Washington saved from British arson during the War of 1812 by Dolley Madison.

So it was deft and sensible of Hillary Rodham Clinton to propose a series of *outdoor* sculpture shows, because there would be nothing awkward about keeping them discreetly outside the house but still on its grounds. A million tourists passing by a window wall at the edge of the garden will get a generous glimpse of the show before it ends in January. The show's curator, George W. Neubert, director of the Sheldon Memorial Art Gallery and Sculpture Garden at the University of Nebraska (Lincoln), chose works big enough to see through the glass clearly.

Actually, two bronzes by Paul Manship stand inside the house on either side of the garden door. Manship was born in Minnesota in 1885 and is therefore legitimately a 19th-century artist. His "Diana" firing an arrow across the entryway at his "Actaeon" (both from the Minnesota Museum of American Art in St. Paul) represents both the very tail end of the 19th-century American renaissance and the beginning of sculpture here in this century. Manship, who lived until 1966, was a powerful influence on younger American sculptors, and just inside the garden is a heroically opulent female nude from the Milwaukee Art Museum by Manship's famous student, the French immigrant master Gaston Lachaise.

The rest of the sculptures do not flow down the century with such ideal linkage. With only 12 slots to fill, Mr. Neubert, an ebullient and massive former college nose guard from Texas, left out dozens of obvious choices, notably David Smith. Still, he managed to cover a lot of bases. From the Columbus Museum of Art, he imported "Tropical Tree III," a black steel Louise Nevelson. From the Chicago Institute of Art, he borrowed a narrow aluminum blade called "Curve VIII" by Ellsworth Kelly.

Moving further forward in time, beyond abstraction, Mr. Neubert shows the return of the human figure with "Walking Man,"

Critique

By Raymond Sokolov

a grimly realistic George Segal (1988) from the Walker Art Center in Minneapolis. An even more recent swing toward a classicizing approach is on view with Manuel Neri's "Aurelia Number I" from the Laumeler Sculpture Park and Museum in St. Louis: a stark white full-size female in marble (1992).

As it happens, Mr. Neubert's two most stunning choices came from his own museum. Both works are by living women, one fairly young, the other still active in old age. Judith Shea, born in 1948 and trained as a clothing designer, is at the cutting edge of sculpture today, but her "Shield" makes sensuous allusions to two traditional forms. A weathered-green bronze female torso, it almost might have been excavated from an ancient Mediterranean archaeological site, but it also bears an eerie resemblance to a dressmaker's dummy, headless, armless and legless. It floats free, like a piece of fabric.

The other statue from Nebraska is a Louise Bourgeois, which the octogenarian doyenne of American sculpture made in 1947. "Observer" is a semiabstract human figure, all narrow bronze rectangles painted white and assembled with nuts and bolts, a humanoid Stonehenge, solid but also so carefully balanced that the "arms" swing barely perceptibly in the wind. The flat "hat" on the featureless square head gives this otherwise solemn piece a jaunty air.

Tourists will look out on Mr. Neubert's highly selective anthology of modern American sculpture and see a small troop of vertical beings alternating with sculpted trees, backed up by the White House rear lawn with a much larger vertical sculpture in the distance, the giant obelisk of the Washington Monument. One doubts that this happy accident was part of the planning that began in January when Mrs. Clinton met with the White House preservation committee. That early discussion, in the immediate aftermath of the successful public reaction to the temporary installation of a de Kooning painting in the White House, led to committee member and former director of the National Gallery J. Carter Brown's demarche to the Association of Art Museum Directors, who agreed to support the multi-institution lending program. The Iris and B. Gerald Cantor Foundation provided funding.

So no tax dollars have been diverted to installing modern art at the White House, and it is hard to imagine anyone eager or, in fact, able to find fault with this show. Mr. Neubert has skirted the wilder shores of contemporary art, but his choices are all first-rate, and they tacitly include artists from the major minorities: women, a black, a Chicano and even a Holocaust survivor. No doubt one or more of the sculptors is gay. The terse labels don't go into this kind of thing, nor does the work itself announce a political program.

Mrs. Clinton herself has also scrupulously avoided obtruding any nonartistic agenda. After a string quartet of women in dress uniforms from the U.S. Marine Band played Handel, Haydn and Vivaldi at a champagne reception in the garden, the first lady told a crowd of around 100 people mostly drawn from the Midwestern lending museums that she had always liked sculpture, even before her first date with the president in the sculpture garden of the Yale Art Gallery. She likes contemporary art in general, she said, and this looked like a good way to bring it to her doorstep and give it a broad new audience. "Art," she said, "isn't a luxury." If that was spin control, the administration could use a lot more like it.

File

THE NEW YORK TIMES, FRIDAY, OCTOBER 21, 1994

Inside Art | Carol Vogel

■ New look in a White House garden ■ The Whitney prepares for a modest expansion ■ Acquavella admission charge to help finance Giacometti show.

First Lady's Garden Updates

It's doubtful that Jacqueline Kennedy, when she conceived of a First Lady's Garden at the White House, envisioned it filled with 20th-century sculpture. Formal 19th-century garden statuary, perhaps, but nothing so bold as a black and red Calder mobile or a voluptuous woman by Gaston Lachaise or even a skinny, abstract white-painted bronze figure by Louise Bourgeois.

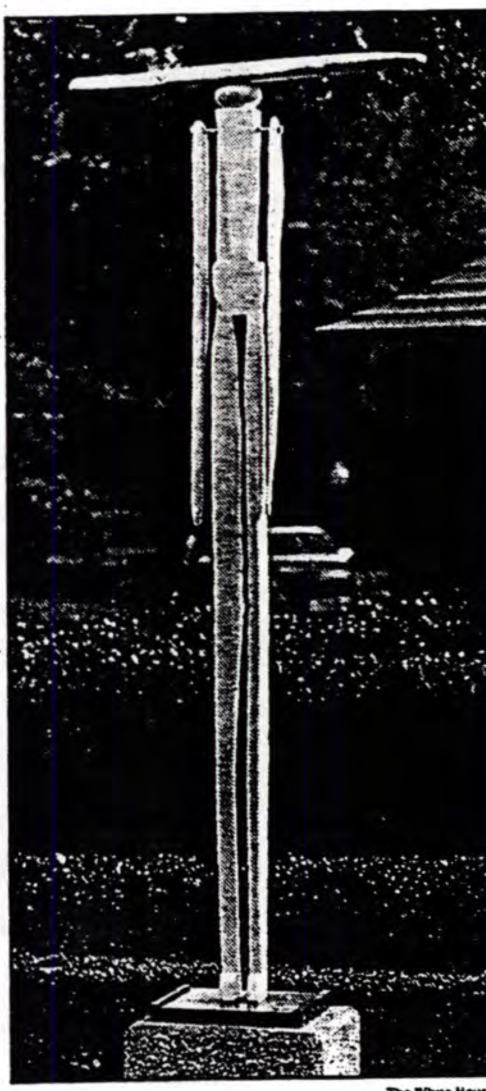
But time and tastes change. For Hillary Rodham Clinton, sculpture is not simply a favorite art form, it also has romantic connotations. Her first date with Bill Clinton was at the sculpture garden of the Yale Art Gallery.

As a gesture of support for contemporary art, Mrs. Clinton decided that a series like "20th-Century American Sculpture at the White House" was just what the First Lady's Garden needed. It is to include four sculpture exhibitions organized by the Committee for the Preservation of the White House and the Association of Art Museum Directors. The first show, "Statues Into Sculpture," was installed last week in time for Arts and Humanities Month, and will be up until March 1. It was financed by the Iris and B. Gerald Cantor Foundation, and represents only the second time that 20th-century art has been shown at the White House; the first was a show of Andrew Wyeth paintings during the Nixon Administration.

The 12 sculptures on view were chosen from art museums in the Midwest. "It occurred to me the best way to organize this was to divide the shows geographically," said J. Carter Brown, director emeritus of the National Gallery of Art in Washington and head of a sculpture subcommittee that is part of the Committee for the Preservation of the White House. "We decided to start with the Midwest since that's where Hillary is from." The other shows will exhibit sculpture from the West, South and Northeast.

George W. Neubert, director of the Sheldon Memorial Art Gallery and Sculpture Garden at the University of Nebraska at Lincoln, is the curator of the show, under the auspices of the Association of Art Museum Directors. Works by such artists as Ms. Bourgeois, Bryan Hunt, Ellsworth Kelly, George Segal and Louise Nevelson provide an overview of American sculpture's development in this century. "I selected almost equally between figuration and abstraction," Mr. Neubert said, and added that half the works are from living artists. "All evoke references to nature and the human figure."

At the show's opening reception, Mrs. Clinton said: "Now some of the finest American artists and their art will be available to an entirely new audience. The thousands of visitors who pass through the White House each day will be able to look out the Colonnade windows and will be able to share in the esthetic beauty and the emotional power of these sculptures."



The White House

"Observer" (1947-49), by Louise Bourgeois, is among the 12 sculptures currently on view in the First Lady's Garden at the White House.

Expansion at the Whitney

For the Whitney Museum of American Art, expansion 90's-style means never having to tamper with the exterior of its 1966 Marcel Breuer building.

This summer, the Whitney bought a six-story brownstone at 33 East 74th Street in Manhattan, around the corner from the museum, for $3.4 million and announced it would move its library, archives and offices there from the museum's fifth floor.

The plan, which is being presented to the museum's board for final approval on Nov. 9, involves increasing the exhibition space 30 percent by turning most of the museum's fifth floor into 7,500 square feet of galleries. Since the walls of the two buildings touch, the museum will break through and create an interior connection to the brownstone.

The plan is quite modest compared with the 1985 design by Michael Graves, the Princeton-based architect, which called for a 134,000-square-foot addition at a cost of $37.5 million. It would have provided space for galleries, retail space and offices, but also would have radically altered the Breuer exterior.

The new plan is both smaller and much cheaper. David A. Ross, the museum's director, estimated the cost of acquiring the new building and renovating it at $8 million to $10 million. The money is to come from a capital campaign drive, he said, which will begin officially in about three years.

A substantial portion of the money has already been raised, said Gilbert C. Maurer, president of the Whitney. "This is a doable project," he said. "The idea is to put back on display much of our permanent collection, like our Hoppers and O'Keeffes, so that people can see them again and again."

Richard Gluckman, a Manhattan-based architect who has designed SoHo galleries and the Andy Warhol Museum in Pittsburgh, will design the new galleries and the brownstone renovation.

Mr. Ross said he hoped that work on the brownstone would begin this winter. "We don't want to interrupt any of our activities," he said. "It will be a clean, two-step procedure."

Entry Fee for Giacometti Show

Charity, these days, begins in the gallery. At least it does at Acquavella Galleries, 18 East 79th Street in Manhattan. When a retrospective of work by the Swiss sculptor Alberto Giacometti opens next Thursday, take your wallet. There will be an admission charge: $5 for adults and $2 for students and the elderly. The proceeds will go toward the cost of mounting the exhibition. (The admission charge does not include the color catalogue, which costs $35.)

The announcement is raising a few eyebrows in the art world, since most gallery shows are free to the public.

"It's to defray the large costs of the show," said William Acquavella. "Charging admission also controls who comes." Mr. Acquavella said that in the past he had charged admission to benefit a charity; this is the first time he has done it to cover his costs.

"What great exhibitions are out there that you can see free?" he said. "Trying to bring an exhibition like this to the public is a service. It costs less than going to the movies."

While few galleries have mounted as extensive a show of the artist's work, there have been a couple of fine Giacometti exhibitions in New York recently, one at the Yoshii Gallery on West 57th Street in June and another at the Gagosian Gallery on Madison Avenue in April. Both were free.

Pace Executive Leaving

Other Manhattan gallery news: After 14 years at Pace Gallery, now Pace-Wildenstein, Renato Danese, its executive director and vice president, is leaving. He is becoming a partner in C&M Arts, the gallery founded last year by Robert Mnuchin, a retired partner of the investment firm Goldman Sachs. Jennifer Vorbach, the gallery's director, will also become a partner, Mr. Mnuchin announced.

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[The Washington Post, Wednesday, October 12, 1994]

First Lady Finds Niche For Art

Sculpture Garden Opens at White House

By Judith Weinraub
Washington Post Staff Writer

Hillary Clinton opened an exhibit of 20th century sculpture at the White House yesterday by reminiscing about her first date with Bill Clinton—a walk in the sculpture garden at Yale University.

It wasn't just the sculpture that made her wax nostalgic; yesterday was the Clintons' 19th wedding anniversary.

As newly potted chrysanthemums gleamed in the autumn sunlight, 12 works by leading American sculptors were unveiled in the First Lady's Garden, a formal space designed in 1963 for Jacqueline Kennedy.

Although traditional American painting and sculpture are a permanent part of White House decor, the current show is the first attempt to display 20th-century sculpture there.

"This is a living, working family house," said Clinton, who described sculpture as one of her favorite art

See SCULPTURE, C12, Col. 3

Modern Sculpture Garden

SCULPTURE, From C1

forms. "And I think it should represent what's happening in America now as well as in the past."

Yesterday that house's special appeal was underscored by the line of tourists peering at the goings-on through the windowed walls of the East Wing colonnade and by the many artists and museum officials toting cameras at the opening reception. "This is very gratifying," said participating artist Ellsworth Kelly. "I wish my parents were alive to see this. My dad would have said, 'Wow.' "

Hillary Clinton was equally enthusiastic. "Art is not a marginal part of society—not a luxury," she said. "[It] should be accessible to as many people as possible."

Plans for the exhibit began last spring after Clinton, as chairman of the Committee for the Preservation of the White House, asked that group to consider ways of borrowing sculpture for display in the First Lady's Garden. J. Carter Brown, chairman of the Commission of Fine Arts and director emeritus of the National Gallery, was directed to look into it.

In June, after Brown and his committee conceived the idea of dividing the country into regions from which museums and other public institutions might be prevailed upon to lend sculpture to the White House, he contacted the Association of Art Museum Directors.

Soon afterward George W. Neubert, director of the Sheldon Memorial Art Gallery and Sculpture Garden at the University of Nebraska—Lincoln, was asked to put together an exhibit of sculpture from Midwestern museums.

Those pieces, which include figurative works by Paul Manship, Gaston Lachaise and George Segal as well as more abstract ones by Kelly, Louise Bourgeois and Louise Nevelson, form a virtual survey of 20th century sculpture. The earliest pieces, by Manship, were created in 1921 and 1923. The most recent include works by contemporary artists Judith Shea and Richard Hunt.

"We're excited about having art of our own time in the White House," said Neubert. "But we also felt an obligation to help the general public begin to understand the transition in American sculpture from forms with storytelling ideas to forms that have their own language."

"I find it marvelous that the White House is paying this much attention to modern art," said Segal. "It's an enormous reinforcement for the artists and for all the people who love art. I'm surprised and delighted."

Despite the modernity of the works, they have been installed in a stately, almost old-fashioned manner that matches the delicate sobriety of the First Lady's Garden. Each piece is ensconced between trimmed boxwood trees in its own niche. The setting, in fact, virtually dictated the kind and size of pieces that could be included. "Scale was important in selecting the pieces," said Neubert. "The garden is laid out like one from the 18th or 19th century. Its formality suggested formal and regal works."

The sculptures have been arranged around the edges of the garden, an area approximately the size of the State Dining Room. "Sculpture looks wonderful outdoors," said Brown. "The garden looks as if it was always intended to be this way."

The works on display are expected to be in place through March. Successive exhibitions from other regions of the country are contemplated but have not yet been etched in stone. "Wouldn't it be wonderful," said Brown, when asked about the prospect of keeping sculpture permanently on display. "I think it would be a real eye-opener for the American people to understand that art is part of life and part of the First Family's life."

NEA Chief Endorses Artistic Freedom

By Jacqueline Trescott
Washington Post Staff Writer

Sometimes it is an artist's job to be controversial, National Endowment for the Arts Chairman Jane Alexander said yesterday. She added that she opposes any attempt to guide artists toward noncontroversial subjects.

"We are not pressuring artists to tone down," Alexander said in a speech at the National Press Club reviewing her first year on the job. "It is important for artists to create what they need to, to create in response to the society they find themselves in."

She continued: "We're an easy target, after all. The arts are visible, and because they often tap into the very issues that society is grappling with, the arts can cause outrage, fear and anger. They're only doing their job—they can also cause peace, contentment and a feeling of the sublime."

Alexander said she had expected her job to be "contentious." In recent years, one component of the chairman's job has been facing the criticism when grants wind up in the hands of artists and institutions doing work that some viewers find offensive; Alexander said many of the agency's harshest critics are well-organized disseminators of misinformation.

She warned that critics of the endowment should be on guard because they are only hurting themselves and their communities:

"When one of our opponents in Congress calls for abolishment of this agency or even cutting our budget, he's robbing his own community, after all—his own home state," she said. "As we lose more and more of our capacity to provide seed money for arts projects nationwide, what gets overshadowed are the people who cannot participate in the cultural life of their communities.

"Fewer children receive arts education. Theaters, museums, symphonies cut back on outreach, they cut back on touring," Alexander continued. "It's not the people who can afford the arts who are hurt, it's the people who have so little to begin with. I have met those people and I will fight for them."

From the time of her confirmation hearings a year ago, Alexander has adopted a cautious approach to her hot-button agency, including a vigorous schedule of travel: She has toured arts projects and stumped for her cause in 43 states and 80 cities.

The array of experiences she has had in those travels, she said, underscores the need for NEA funds as "venture capital for the arts." She estimated that each taxpayer contributes 65 cents annually to the NEA appropriation—"the price of a cup of coffee," she commented. She claimed that every dollar spent by the NEA generates between $11 and $26 in the community that receives the grant.

Alexander only obliquely mentioned the crisis that began last spring and stirred up enough wrath in Congress for it to threaten a 5 percent cut in the NEA budget. A small amount of NEA money—$150—was spent by the Walker Art Center in Minneapolis for a one-night performance by an artist who carved a design into the back of another artist. Whether scarification is art became a subject of hot debate, and the NEA drew fire from the powerful appropriations boss Sen. Robert Byrd (D-W.Va.).

After intense negotiation, the agency's budget was cut 2 percent to $167.4 million.

But though she endorsed the need for artists to range into controversial territory, at least one critic felt Alexander had sidestepped the issue in yesterday's speech. "The way she addressed the issue of controversy by not addressing it is unacceptable," said Tom Kilgammon, the communications director of the Christian Action Network.

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year mayor's stipend provided. He didn't mention Medlar.

But he didn't have to. On Oct. 14 the San Antonio Express-News bannered a story under the headline "Cisneros Confesses Deep Love for Medlar," provoking a citywide feeding frenzy as newspapers and broadcasters finally published what they had known for months.

Cisneros handled the scandal with aplomb, acknowledging the affair, refusing to blame reporters for invading his personal life, and asking for "time to work it out."

The confession was the stuff of tabloid dreams, but it also had a purgative effect, for once Cisneros told the story, the game, it seemed, was over. He had sinned, confessed and sacrificed his job—done the honorable thing. When the FBI asked him five years later about payments to Medlar, he could say honestly, "It wasn't hush money—there was nothing to hush."

But what about Medlar? The day the story broke, "I got a call from one of my best friends, who told me I was the most hated woman in Texas," she said. "Everybody thought I had gone to the press, which was just not true."

San Antonio immediately tagged her as the "home breaker" who had cost the city's favorite son his career, she said. But, she added, she was the one who lost two fund-raising jobs within eight hours after the initial story appeared and the one whose spouse filed for divorce.

And while Cisneros sought redemption in the public spotlight, Medlar hunkered down, hoping that the whole mess would go away: "I'm not accustomed to laying my life in front of the press, as a lot of politicians like Henry and a lot of other people are. I could never see myself doing that."

Medlar had no jobs—hasn't found meaningful work since—and simply waited for Cisneros's divorce and for her dreams to become reality. She said Cisneros lived with her for 11 months beginning in December 1988, and insisted that she not contest her own divorce, because "if it was messy, it would bring Henry into it."

And why bother? "He said that, of course, we were going to be together, and I didn't need anything from Stan," Medlar said. So she got no alimony or child support, and she gave back everything, she said, including the Mercedes and the Rolex watch.

Cisneros said he lived in an apartment during the period, not with Medlar, and denies ever putting pressure on her over her divorce: "She made those decisions basically on her own."

Also, he added, "there were serious misgivings on my part" about what he should do. Continuing the affair was going to "disrupt the lives of a lot of people."

Feeling "a profound sense of loss," he said, he told Medlar of his doubts around Thanksgiving 1989. Soon after that he traveled to Houston for a gall bladder operation, then left the hospital with Mary Alice and moved back home.

Medlar, stung and hurting, refused for weeks to see Cisneros, who, she said, was calling her constantly and had left Christmas presents on her doorstep. In January, she finally agreed to see him and in a long tortured conversation she and Cisneros worked out the payment plan. But it wasn't over yet.

Cisneros continued to see Medlar, first in San Antonio, then after Medlar moved back to her home town of Lubbock. The affair only ended in 1991, when Mary Alice filed for divorce and named Medlar as a corespondent. Cisneros stopped seeing Medlar, and the divorce filing was dropped. By this time, on the advice of a friend, Medlar was taping all her telephone conversations with Cisneros.

Still, the payments kept coming. The investment company Cisneros organized did well, and supporting Medlar did not seem a problem. And she continued to need the money.

The Tale of the Tapes

By late 1992, when the "Inside Edition" tapes begin, it is clear that while Cisneros and Medlar still shared intimacies on the telephone, they had also begun to talk past each other.

Medlar said that she knew for several months that Cisneros, deeply involved in the Clinton campaign, would seek a job in the new administration. "It was what he had been thirsting for all these years."

For Medlar this was bad news. From a job where, by his own estimate, he was earning in the neighborhood of $350,000 per year, Cisneros would go to a salaried position with virtually no outside income.

"If you do it," she told him on a tape, "there's no way to work out the financial."

No matter. "Well," he replied, "it's a problem, but my alternative is to die on the vine."

Knowing that she was fighting a losing battle, Medlar listed reasons why Cisneros shouldn't take a Cabinet job. She mentioned other alleged extramarital affairs and brought up a $10,000 cash payment he supposedly accepted from Texas developer Morris Jaffe while he served as mayor. Cisneros repeatedly denied any indiscretions with either women or money.

A simple reading of the transcripts suggests that Medlar was trying to get Cisneros to incriminate himself on tape, but Medlar says no. In fact, she says, she felt that Cisneros was blaming her for his political eclipse. She was simply trying to point out other skeletons in his closet.

She says now that she never saw $10,000 changing hands, and knew of this and the other alleged problems only from conversations she had had with Cisneros.

What is clear from the tapes, however, is that Cisneros was desperately worried that his financial arrangement with Medlar could sink his political hopes. This took on greater significance on Dec. 2, 1992, when he phoned Medlar to tell her about a 2½-hour conversation earlier in the day with Texas Gov. Ann Richards.

Clinton was planning to make Texas Sen. Lloyd Bentsen his treasury secretary, and Richards needed to appoint someone to fill the Senate slot—a Democrat who could subsequently win the seat in an open election. Cisneros was a natural choice, and Richards called him in to talk about it.

"I told her everything she needed to know to make the call," Cisneros said on the tapes, including the payments. "She's concerned about the money, and convinced that that's a killer." Cisneros said he was not particularly interested in the Senate anyway.

Ten days later things changed. Clinton picked Cisneros to be HUD secretary, and the vetting process had begun. First the transition team sent Webster Hubbell to talk to Cisneros, and Cisneros told Hubbell about the payments.

But he appeared to low-ball the numbers: "I told them, well it came to $10,000-$15,000 over a year," he said to Medlar. While it is clear that Cisneros never knew exactly how much he had paid, he later acknowledged much more than $15,000—closer to $50,000 per year.

Regardless of the amount, Cisneros came away from the vetting convinced that his appointment would be torpedoed: "I think Clinton will have problems," he told Medlar. "I feel like I'm not going to be nominated."

But, Medlar said, "If you had never said anything about it . . ."

"I couldn't afford to do that," he replied. There was too much risk that it would come out later, blind-siding the administration.

The transition team digested Hubbell's report, and approved the appointment, but Cisneros did not relax. With confirmation hearings coming up, the FBI was "crawling all over everything," he told Medlar in a conversation dated Jan. 4, 1993.

Cisneros was surprised that no one had been to see Medlar, and worried what she might tell the investigators. But, he said, "let me tell you something you're not going to believe, I trust you. . . . I trust you with my life."

"I wouldn't go that far," Medlar replied.

"Well, this is my life, it's on the line," he said. "If they [the FBI] knock the out, man, I am wiped."

But they didn't knock him out. The FBI never talked to Medlar, and the investigators decided the payments were "assistance, understandable under the circumstances," Cisneros told Medlar in mid-January. They had decided that Cisneros had paid Medlar $60,000, "virtually the truth," he said.

As a grand total for three years, however, $60,000 was not accurate, but Cisneros said in a recent interview that he understood the FBI meant $60,000 "a year." The Justice Department presumably is checking the record.

During 1993, Cisneros made three payments to Medlar totaling $55,000, then stopped, saying he could no longer afford them on his $148,400 Cabinet salary. Medlar said she has not spoken with Cisneros since late 1993.

John Paul's heart was rebuilt at a Philadelphia hospital in mid-1993, and he is making "a miraculous recovery," according to his father.

Cisneros, by all accounts, is an excellent HUD secretary—a powerful spokesman for the poor, a sound administrator and a skilled innovator.

Medlar says she is not faring well. Reclusive and nervous, she is depressed, worried about house payments and debts and desperately looking for work. "This is behind the scenes and nobody's going to care who I am," she said of her latest plans. "I'll do anything at this point that's not nudity or going on a talk show."

Now, Linda Medlar says, she is looking for work cleaning houses.

10.2

NIC

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28 March 1995

Mr. Rex Scouten
Curator of the White House
The White House
Washington, DC 20500

Dear Mr. Scouten,

I want to thank you again for taking the time to talk to me about Save Outdoor Sculpture! (SOS!), which is a joint project of NIC and National Museum of American Art (NMAA), Smithsonian Institution. Both the First Lady's project to place outdoor sculpture in the First Lady's garden and SOS! highlight the importance of this most accessible aspect of our artistic heritage.

SOS! has recruited more than 15,000 volunteers from every state to complete the country's first inventory and condition assessment of all publicly accessible outdoor sculpture. This information will be entered in the NMAA's database as a permanent record—the first such nationwide inventory of art. Many of the volunteers are forming adopt-an-outdoor sculpture programs in their communities. We have many examples of dedicated citizens taking action to preserve outdoor sculpture. Enclosed are photographs of selected projects and their work and an article on SOS! in the April issue of *Smithsonian*.

Business leaders have joined local citizens in many cases. For example, John Bryan, member of the President's Committee on the Arts and Humanities and CEO of the Sara Lee Corporation, has been immensely helpful to our effort. His corporation paid for the restoration of an Abraham Lincoln statue in Chicago. We have used an interview with him urging other business leaders to take similar action in two videos to be circulated to more than 100,000 people.

We hope that you and the First Lady will be interested in highlighting outstanding examples of what citizens have done at the local level, either as part of the ceremony recognizing those who have contributed to the exhibition that you are installing next week or on some other occasion. Perhaps this could be part of recognition of National Volunteer Week, which is observed in April.

Elizabeth Broun, Director of NMAA, and I would be pleased to discuss this with you further. I will call to arrange an appointment.

Sincerely,

Larry

Lawrence L. Reger
President

P.S. The Arkansas project for SOS! is completed and we have several volunteers who were outstanding.

It is no small thing to outwit time.

Smithsonian

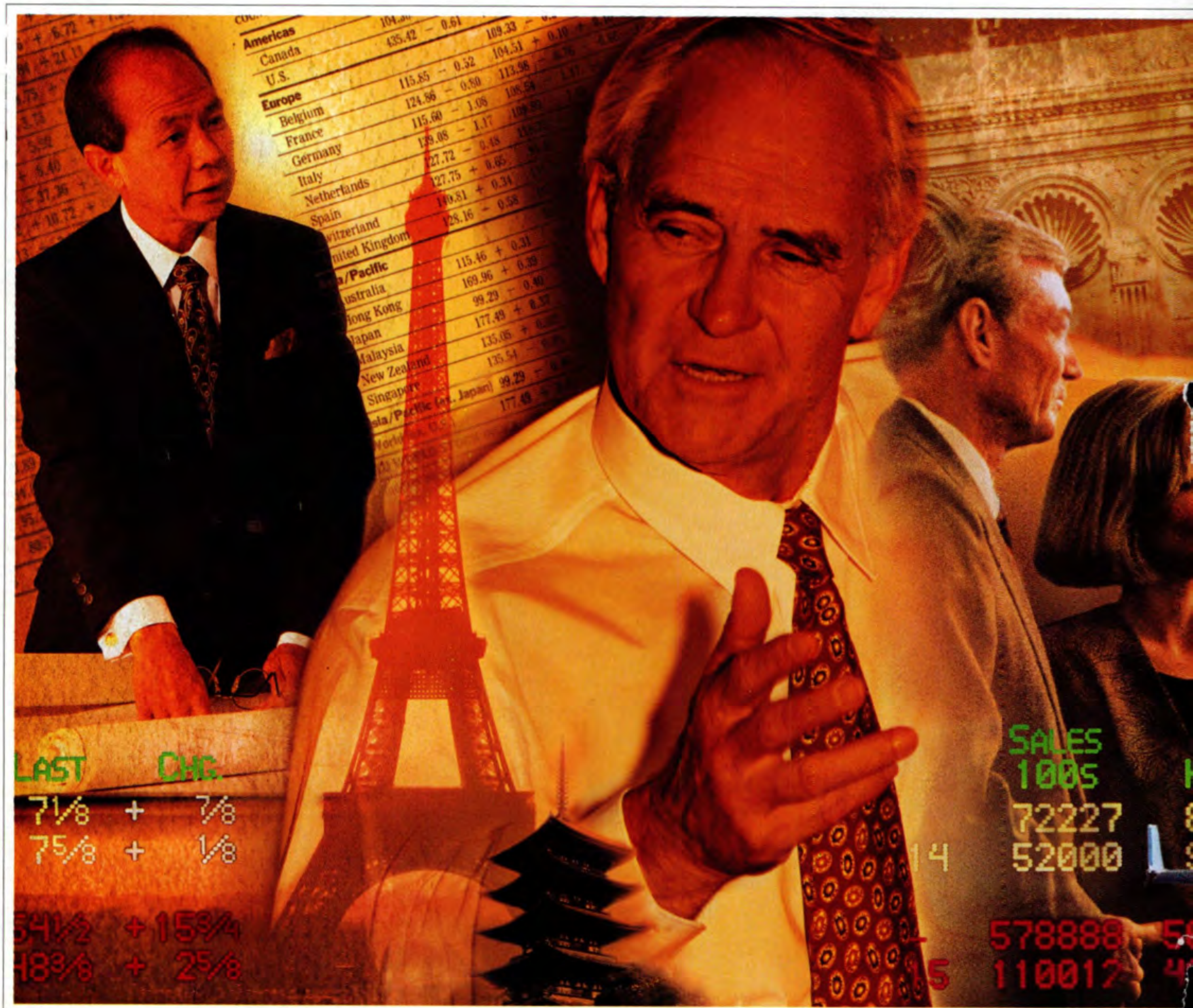
April 1995

25TH

ANNIVERSARY

ISSUE

Wherever The International
Is Spoken, We'll Make



By Doug Stewart

All right, troops—fan out and find every last artwork

With the aid of volunteers throughout the country, Save Outdoor Sculpture! is helping us to rediscover our monumental heritage

It was during the bloody battle that took place at Chickamauga Creek in 1863 that James B. Steedman, a citizen of Toledo, Ohio, and a brigadier general in the Union Army of the Cumberland, earned himself an evocative nickname and a small measure of lasting fame. At a critical moment, Steedman seized his regiment's colors and dramatically led his wavering volunteers through a withering barrage of Confederate fire. Although the Confederates won the battle, Steedman emerged from that engagement unscathed to become Toledo's most famous Civil War hero.

The assault that finally did "Old Chickamauga" in didn't occur until 1979, nearly 100 years after his death. "A car ran right up the steps in the middle of the night, knocked over the statue and broke chunks off the granite pedestal, if you can believe that," says Nancy Turner, until recently the coordinator of Save Outdoor Sculpture! in northwestern Ohio, as she shows me around. The general was left lying on his back, one arm broken off and both legs jammed into his body. Today, the oldest outdoor sculpture owned by the city of Toledo is back on its pedestal, an unlit target at the end of a long, fast straightaway that veers sharply to the left at the last second. As I watch, a red pickup truck squeals to make the turn, adding another layer of rubber to the curve.

Motorists are not all that threaten the statue. Weathering has left the bronze so pitted and streaked that its contours are hard to make out. The badly chipped pedestal is marred by obscenities. Red spray paint drips luridly down from the general's eyes as though he were a victim in a slasher movie (opposite). Bees swarm around his hat, a sign that a hole has opened up somewhere.

Toledo's beleaguered general is certainly not the only outdoor sculpture in this country to have suffered this kind of humiliation. Of the thousands of sculptures that adorn the nation's landscape—not just war memorials and courthouse statues but zoo sculptures, schoolyard art and median-strip emplacements—nearly half need repairs or protection. An estimated one in ten will suffer irreversible damage if help doesn't arrive soon. The threats range from weathering (aggravated by air pollution) and vandalism, to floods, windstorms, encroaching vegetation, bird droppings, and assaults by lawnmowers, skateboards and snowplows.

Though people can quibble about taste, there's little question that letting our nation's outdoor sculptures crumble would make this country a drabber place in which to live. It would also leave us increasingly ignorant of our collective past. "The public sculpture of America offers a visual history of our country," says Elizabeth Broun, director of the Smithsonian's National Museum of American Art. "Losing these sculptures to the ravages of time would deprive us of this way of knowing what our ancestors cared most about." Fashions in art may change, she says, but each community's public art, new and old, evokes the traditions and the ideals that help make people feel a part of their community and of the country as a whole. "That's especially important today," Broun says, "when everyone is looking for things that can bind us together."

When outdoor art is neglected, the culprit isn't necessarily an uncaring community. In many towns the chief problem is uncertainty as to who, if anyone, owns a particular monument. "In the past, sculptures were typically put up by private subscription, then deeded to a city or town," says Susan Nichols of the National Institute for the Conservation of Cultural Property (NIC) in Washington, D.C. "But the donors didn't set aside money for maintenance. They didn't think it was important. You know: 'Vandalism? Oh my goodness, not in our town!' So the town would build a park for the monument and name it after somebody, then walk away." Public sculptures, as a result, have become the orphans of the art world.

To help reverse the decades of neglect, Broun's museum and Nichols' institute together launched a massive nationwide effort in the late 1980s called Save Outdoor Sculpture!, or SOS!, which Nichols directs. Nonprofit and largely volunteer, Save Outdoor Sculpture! has a threefold purpose: to compile a list of the nation's pub-

Red paint and graffiti trashed a Civil War general in Toledo; now on SOS! rolls, he is undergoing repair.

Photographs by Enrico Ferorelli

and pen-bouncing, where do you turn if its founder decided it was useless? Among the many defunct organizations are the Gertrude Stein Philately Society, the Tara Collectors Club and the Buffoons of America.

The failure of these and many other organizations makes the American Association of Aardvark Aficionados (AAAA) an inspiration to joiners everywhere. In 1975 the AAAA began promoting National Aardvark Week in early March as an alternative to Groundhog's Day. "I figured it would be a novelty like the Pet Rock," confesses founder Robert Bogart. "It never occurred to me I'd be doing it for 20 years." But the AAAA is still going strong, with about 700 members, now on a computerized database. Bogart thinks the aardvark's eccentricity attracts some members. All you have to do to join is send in six bucks and explain why you are interested in aardvarks. Belonging to the AAAA "ain't sex," one member wrote Bogart, "but it beats the hell out of pinochle." Bogart hopes someday to hold a convention of aardvark aficionados. "I think I'd like to meet these people," he says. "I think I would."

More than a century ago, Ralph Waldo Emerson urged Americans to trust their instincts and rely on themselves. With all due respect to Emerson (and the 40-member Ralph Waldo Emerson Society), our burdens have grown too large to shoulder on self-reliance alone. From FRUMPs to extraterrestrials, millions are finding that membership has its privileges. And although large associations give their members a slice of power, small societies are more fun.

"I've been coming to these meetings since I was 2," says Jim Smith jr. of Millsboro, Delaware. "Some of the older Jims have passed away, but a lot of the same faces keep coming back. To think that this society has survived 25 years, meeting around the country, bringing Jims together, is pretty phenomenal."

Just before closing their annual meeting, Jim Smiths put away their fun and face the future. Their society is fraying at the edges. Founder Jim Smith has died, taking with him a lot of the energy that held Jims together. For an hour they discuss how to maintain ties among hundreds of Jims scattered around the country. Incorporate? Delegate responsibility? Elect Jim Smith as benevolent dictator? After fumbling and feuding, Jims agree that after all these years they have a lot more in common than just a name. "None of us are related, as far as I know," says Budd Lake Jim of New Jersey, "but we've developed a friendship that keeps us coming back."

Strictly observing Robert's Rules of Order, Jim Smiths elect new officers to plan next year's Fun Festival in Seattle. Then Jim Smith makes a motion. Jim Smith seconds it. All Jims in favor? Meeting adjourned.

In Washington, D.C., SOS! director Susan Nichols is right at home with the Law Enforcement Memorial lion.

licly accessible outdoor sculptures, to identify which of these need to be fixed, and to help arrange for conservators to start doing the fixing. SOS!'s headquarters in Washington, housed within the NIC, has only four staffers; most of the work takes place in the field, where nearly 200 public and private organizations, from universities to arts councils to garden clubs, are officially tied into the campaign. SOS!'s $500,000 annual budget is supported by the Getty Grant Program, the Henry Luce Foundation, the Pew Charitable Trusts, as well as TimeWarner and other corporations, but as befits a fundamentally grass-roots undertaking, local grocery stores, banks and printshops have also chipped in.

Over the past four years, several thousand SOS! volunteers in all 50 states have been combing their communities to search out and assess local sculptures, both celebrated and obscure. To find out what to look for, I attend an all-day training session in Massachusetts led by state coordinator Lynne Spencer. The 18 volunteers on hand include a museum intern, a housewife, a young college administrator and his girlfriend, the head of a local historical society and her husband, and several young sculptors. We are told that any original, three-dimensional artwork that's easily seen from a public way is eligible for the survey. Bronze, wood, plastic, dried vegetation—anything goes. Most grave markers, however, are out; they generally don't fit the criteria, and with some 160 million in the country, more than a sampling would overwhelm the collection. "Don't judge things by their artistic value," Spencer warns us. "Tastes change." She herself has a personal interest in front-lawn sculptures. As for researching the whys and wherefores of contemporary sculptures, she urges us to call up the artists. "Don't be shy!" she scolds.

A few weeks later, I join SOS! volunteer Ed Margerum in a search for outdoor art in Newburyport, Massachusetts. Margerum, 57, is an unemployed industrial chemist from Salem who's already tallied more than 300 works of all kinds. "It gets you outdoors," he explains. With a yellow legal pad and a worn copy of a 1937 WPA guidebook in his hand, Margerum wanders up State Street, pausing to jot down vital statistics of a carved wooden shop sign and later a large iron sundial outside a bank. He interprets the SOS! guidelines rather loosely. "If it's carved or cast and has three-dimensional elements, I include it," he says.

Margerum has no art background, but he's a devoted history buff with a keen eye for detail. At an 1878 bronze statue of George Washington, he dutifully copies all of the pedestal's inscriptions—who the sculptor was, where the figure was cast, where the granite was quarried—in addition to recording the presence of some fluorescent-green Silly String on Washington's left boot. Noticing a crescendo of blackened fiberglass swans bursting from the center of a fountain in a pond nearby, he considers and rejects the idea of building a raft from a set of wooden skids along the shore, the better to examine the sculpture up close. For the most part, Margerum does his sleuthing on foot. "It's a good idea to take a walk around a town's parks," he tells me. "You're likely to come across a monument or two. You'll say, 'Wow, I never knew they built memorials to the heads of sewer departments!'"

Tributes to sewer chiefs may strike some art professionals as a downscale kind of art form, but these are exactly the sorts of pieces that SOS! wants to find. Even a sculpture that's esthetically undistinguished can offer telling clues to a community's past achievements, obsessions or calamities. The North Dakota survey came across an eight-foot-high stone monument in the shape of a broken tent pole rising out of a miniature tent; it was placed in memory of a pair of circus workers who were killed nearby when lightning struck their big top

Doug Stewart, a frequent contributor, has covered subjects from the Great Eastern *to* Consumer Reports. *He profiled Mitchell Wolfson in February '95.*

in 1897. The most notable outdoor sculpture in Cheshire, Massachusetts, is the replica of a press used to fashion a 1,235-pound cheese that local farmers shipped to the White House as a New Year's gift in 1802.

Descriptions of these and other curiosities are all being folded into the Inventory of American Sculpture, a computerized master list at the Research and Scholars Center of the National Museum of American Art. Rachel Allen, the center's chief, says the list now includes more than 50,000 works, both indoor and outdoor, with SOS! teams sending in thousands of new outdoor listings every month. The ongoing compilation is public and freely available on the Internet (telnet to **siris.si.edu**). "It's primarily a research tool for art historians and other professionals," says Allen, "but we also get inquiries from people who say, 'My grandfather was a sculptor, and I'm trying to find where all his sculptures are.'" The database has already provided quick answers to a stage-set designer wanting a list of outdoor Joan of Arcs (there are eight in the survey so far), a high school student in South Carolina wondering how many Vietnam memorials exist (29 in the last tally) and a TV company scouting for outdoor statues of "Blind Justice" (four and counting).

In deciding what to include and what to exclude on their own lists, local SOS! chapters are free to stretch the guidelines. In New Mexico, where folk sculptures outnumber bronze dignitaries, the state SOS! list includes a huge scarecrow-like creature named Kookooee that's designed to be ritually burned, and an enshrined tortilla whose scorch marks are said to reveal the face of Jesus; they are still searching for the rumored outhouse painted to resemble the Taj Mahal. New Mexico is vast and sparsely settled, and former statewide coordinator Richard Hooker does a lot of surveying. Hooker is a Santa Fe sculptor who is passionate about art and loves

Among the works documented by SOS! in New Mexico is the tile-covered home of ceramist Beverly Magennis in Albuquerque. She began this project eight years ago, using tiles that were given to her or that she found.

Nicasio Romero built his meditative piece *Are You Coming? Or Are You Going?* near El Ancon, New Mexico.

Wall at Magdalena rodeo grounds bears the handprints of schoolchildren who helped adobe artist Pat Beck.

In a Gallup park, Armando Alvarez's 310-foot-long steel sculpture *We the People* has a total of 98 figures.

The dude's hat brim in *Going for Water*, made by Gordon McMath in Mountainair, is an overturned tractor seat.

to drive. It's a useful combination: he's already covered more than 10,000 miles as he crisscrosses the state with his cameras, clipboard and tape measure to document its endlessly imaginative public art.

"I don't want to miss anything," he explains to me when I join him for a three-day, 600-mile foray through the state's high central plains. In the dusty railroad town of Mountainair, we stop at the old Shaffer Hotel, built in the 1920s by the late Clem (Pop) Shaffer, a blacksmith and horse trader turned folk artist. An elaborate concrete fence along the sidewalk next to the hotel is studded with hundreds of delicately hued stones arranged into ostriches, giraffes, snakes and monsters. "They say, 'If you ever go to Pop Shaffer's, make sure you push the Devil's Gate,'" Hooker tells me as we take turns swinging a creaky door in the fence for luck (right). The designs are spare—one dog is just eight flat stones—but delightfully expressive. Hooker examines the fence for damage, measures it and shoots snapshots for the archive back in Santa Fe.

Earlier he'd learned of a lawn sculpture on a street behind the hotel, and we walk back to take a look. On a small corner lot stands a bowlegged pioneer family and their wagon, all made from rusted-out machine parts and farm tools. The homeowner, Gordon McMath, a taciturn 71-year-old in grease-stained blue coveralls, is lying under his car, working on the engine. He slowly slides out and bids us how-do. We learn he's a retired appliance repairman, which accounts for his choice of medium. McMath walks over and points out his sculpture's special features in a deep, deadpan drawl.

"This is Whitey, and this is Gray," he says, indicating the two middle draft animals pulling the buckboard. Their torsos are washing-machine motors; their tails, rusted shovel blades. "And these other two are 'kinard' birds. That's k-i-n-a-r-d." Hooker and I each dutifully write this down. "The reason they're called 'kinard' is you kin 'ardly tell what they are." McMath calls the tableau *Going for Water.* "You will notice the wife is carrying the buckets. The husband is carrying a cup to get a drink when they get there." Yup, those times are long gone, he says grimly, as his wife, Biddie, listens with amusement. She tells us proudly, "He had never done this before. He just took the notion one day and started working on it." Hooker loves the piece and elicits permission to include it in the Inventory.

New Mexicans seem to take a broader view of art than do, say, Bostonians. Trash art and automotive art, and trashed-automotive art, are plentiful and much admired. "We have six good muffler men in our survey," Hooker says, referring to folk-art figures that auto mechanics tinker together from worn-out mufflers and pipes. Two cars on poles, used locally to advertise wrecking yards, are also on the survey, in a category that Hooker has designated Monumentalized Objects.

After swinging the Devil's Gate at Pop Shaffer's hotel for good luck, Richard Hooker measured it for SOS!

The dramatic landscape of New Mexico inspires much of its art, too. In the middle of a field of tall grass a stone's throw from the Pecos River in the tiny village of El Ancon, we stand at the foot of a rough-hewn ladder that ends in midair. At the top of the ladder is a charred wooden door bristling with nails. Behind this enigma, across a stretch of windswept rangeland, rises a huge mesa. "I've had a preoccupation with that mesa for a long time," the ladder's creator, Nicasio Romero, tells us almost apologetically. "This piece, called *Are You Coming? Or Are You Going?*, is a meditation piece for me. I'm trying to see the mesa in different ways but always the same view." Romero is an outgoing, unpretentious man with a baseball cap and a bushy, graying beard. In an informal sculpture garden near his adobe house, he shows us four crude-looking, chest-high adobe domes. They're bells, he explains. "When they're finished, you'll feel the surface with your hands, and if you meditate and listen hard enough, you'll be able to hear something. I'm not crazy, but I'm convinced you will. It's not a physical thing; it's a metaphysical thing." Like the earth they're made of, the bells will change over time. Eventually, Romero says, they'll weather away completely.

Allowing public art to wash away in the rain isn't nor-

Students pitch in to help document a sculpture group called *Family* along the riverfront in Toledo, Ohio.

mally considered desirable, of course. Technically, however, that's what's happening to all of our outdoor sculpture. Every year, for example, rain washes about 80 pounds of copper from the Statue of Liberty (enough to mint about 13,000 copper pennies). "All an art conservator can do is slow down the rate of deterioration," says Arthur Beale, director of objects conservation and scientific research at Boston's Museum of Fine Arts and a key figure in starting SOS! "The question is: What rate of weight loss is acceptable?" Ironically, he says, the classical revival of the 19th century turned to the noble materials of antiquity, marble and bronze. "But these materials have an Achilles' heel: they're susceptible to acid, particularly sulfuric acid." Today's acid rain and snow are hastening the erosion of monuments that were expected to last forever.

A few blocks along Back Bay's leafy Fens from his museum is a public sculpture that Beale calls a prime example of unmaintained statuary: "It's a crime what's happened to it." Still quietly exquisite, the sculpture is a memorial to spy, convict and poet John Boyle O'Reilly, an Irish nationalist who settled in Boston after a dramatic escape by sea from an Australian prison camp in 1869. Backed by an ornate granite slab, a larger-than-life bronze bust of O'Reilly, looking dashing in an open-necked shirt, gazes tranquilly past the traffic hurtling along Boylston Street. Hidden from view unless you take a dirt path behind the granite block is an allegorical grouping of three large seated figures. An inscription reads "Poetry and Patriotism Give of Their Laurel and Oak, from which Erin Weaves a Wreath for Her Heroes." The sculptor was Daniel Chester French, best known for the seated Abraham Lincoln of the Lincoln Memorial in Washington, D.C.

Dedicated in 1896, the O'Reilly Memorial once sat on an adjacent traffic island, visible from all sides, but as cars supplanted carriages it became a traffic hazard. Now shunted off to one side, it is shadowed by a stand of oaks. With obscurity has come neglect. Up close, the bronze is clearly in distress. O'Reilly's nose appears badly sunburned but in a hue of swimming-pool green. The bronze everywhere is pitted, and much of the surface is either bright green or dull black.

Fortunately, private funds have been rounded up to rescue the sculpture. I stop by the site one morning to talk with Henry Lie, whom the city of Boston has contracted to do the four-day job, and who usually spends his time directing the art conservation center at Harvard University. "The black is actually a sooty crust," Lie (pronounced LEE) tells me as an assistant slathers Strypeeze over the feathers of Poetry's huge left wing to remove what's left of an old protective coating. "Usually black is more nearly original in its surface than the green areas are, even though I don't think there's much original surface left on this piece." The green is the result of corrosion caused by acid rain. Even more distracting are lighter streaks, the product of rivulets of melting acid snow each winter. "It's very hard to read the play of light across a three-dimensional surface when it's streaked like this," Lie says, "so the corrosion is both a physical problem and an esthetic one."

A shower to end all showers

Lie fires up a high-pressure water cleaner and begins blasting the sculpture's surface with water at 2,500 pounds per square inch. The spray removes loose corrosion while washing away the solvent. Foaming water and wads of leaves and dirt fly out of crevices as the bronze trio submits to the assault with stoic dignity. (Sand-blasting a sculpture is now deemed almost criminal. Cleaning a corroded bronze with pulverized walnut shells, a softer medium, is more common.) Later, I watch Lie brush on a coat of cranberry-colored goo, beginning with Patriotism's sandaled left foot. With his other hand, Lie heats the foot with a large blowtorch; its surface instantly turns rust-brown. After a protective coating is applied, he explains, this thin layer of intentional corrosion will take on the deep lustrous brown of the sculpture's original patina. It won't stay that way, he warns, unless it's waxed at least once a year thereafter, preferably twice.

That important outdoor sculptures like this are allowed to deteriorate isn't surprising when one considers

Boston Museum of Fine Arts conservator Arthur Beale, who helped start SOS!, lends his expertise on repairs.

how nearly invisible they are to the public at large. In an informal poll of passers-by, I determine that no one had ever noticed the O'Reilly Memorial until the scaffolding went up around it this week. "I was just looking at it for the first time, actually," says a young man who sits eating his lunch—with his back to the monument—on one of the granite benches that partially encircle it. As for whom the sculpture depicts and why, he and others I ask have no idea.

An underlying goal of SOS! is to combat this obliviousness, especially among young people for whom both art and history can seem musty and irrelevant. In Toledo, Nancy Turner put together an upbeat educational video set to music called *I Am a Sculptor.* It includes interviews with young children discussing their favorite outdoor artwork as well as footage of sculptors at work. "I had the idea that if kids could understand that artists put their heart and soul into a piece of sculpture, maybe they would learn to care about it," says Turner, a painter with the drive of a seasoned political activist.

General Steedman notwithstanding, Toledo is a sculpture-friendly city. By law, 1 percent of all capital spending, even for sewer extensions, now goes to public art—not just creating it but, equally important, maintaining it and teaching people about it. To help persuade young Toledoans that this sort of effort is worthwhile, Turner recently shepherded a dozen students from a local youth program through a quickie SOS! training session. As honorary SOS! volunteers, they then set out to survey a handful of Toledo's city-owned outdoor sculptures, most of them contemporary pieces.

At a playing field on the southwest side of town, I join the group beneath a monumental work called *Play Ball!* by David Lepo. The piece consists of two curved, semi-abstract towers of welded steel. If you stand in the right place and squint, you see a pitcher in mid-delivery and a batter straining to meet the ball. The students are having trouble with the concept.

"So what is that design? It looks like a bird," says K.V., a jaunty 18-year-old in wraparound sunglasses. Turner, a onetime English teacher, tries to explain the pitcher's posture to him.

"Well, how come they don't have no heads?"

"You're supposed to use your imagination, K.V.," says one of the other adults.

"I just did!" he says scornfully. Other visitors before us have accepted the sculpture more readily, to judge from dents in the hollow steel bat. Kids have apparently taken to pitching balls at it, Turner tells me, laughing. "It didn't bother the sculptor. He thought it was cool."

On a riverfront esplanade in downtown Toledo, we crowd around the bronze figure of a pensive teenage girl in a bathing suit sitting hunched over at the water's edge, staring out across the water. "This one has a wax coating. Can you feel it?" Turner asks. The students take turns rubbing the dark-brown metal of the girl's bare back. The sculpture is part of *Family*, a grouping of life-size figures by Penelope Jencks. The other four family members are some distance away; the teenager has her back turned to them. The girl was modeled after the artist's daughter, Turner explains, and like most teenagers, she wanted to be left alone.

"That for real?" K.V. asks. This gets his attention, and he's uncharacteristically quiet for a moment or two as he studies the solitary figure.

Someone has managed to pry off the straps from one of the bathing-suited girl's bronze flip-flops, yet this sculpture, like *Play Ball!*, is remarkably free of graffiti. Says Turner, "People like these pieces better than some of the others, and people don't write graffiti on things they like." If a sculpture is allowed to rust or if weeds are growing up around it, "people figure 'the community doesn't care about this. Why should I?'"

With this in mind, Turner has seen to it that General Steedman is finally undergoing a professional overhaul this year. When he's restored to his high pedestal, she is hoping to persuade local Civil War buffs to set up a period encampment in the adjoining park as part of the rededication festivities. As a public-relations move, a shindig like this will draw a bigger crowd—and bring Old Chickamauga's exploits more convincingly to life—than would just another speech to the usual suspects rounded up from local arts and veterans groups.

If Save Outdoor Sculpture! succeeds in its goals na-

tionwide, it will do so indirectly, by stimulating towns and cities to take pride in their public art and to take steps to protect it. Already, one of SOS!'s key achievements has been to bring thousands of newcomers into the world of art preservation, if only peripherally. In many towns, mail carriers and door-to-door salespeople have been enlisted to keep a lookout for out-of-the-way monuments while making their appointed rounds. In Cleveland, SOS! helped organize a downtown parade in which schoolchildren dressed up as their favorite sculptures. SOS! groups in Georgia put together an 80-mile self-guided tour of outdoor sculptures from Atlanta to Athens, and other communities are planning shorter tours for bicyclists. In 25 states where surveying is completed, SOS! is now shifting its focus to teaching volunteers the ins and outs of raising money in their communities, attracting publicity and contracting for a conservator's services.

"This would have been absolutely impossible without volunteers," says SOS! director Susan Nichols. The people who volunteer to survey sculptures, she says, soon become public-art advocates and watchdogs in their own neighborhoods, the kinds of people who organize a car wash or a bake sale to replace a warrior's missing sword, who report vandalism instantly and perhaps trim shrubs around a pedestal—people for whom outdoor art is no longer invisible. Says Nichols, "You can't put a price tag on that."

Artist Holly Hughes used materials recycled from New Mexico cattle ranches for the bull in *Trail's End*. It is among the 15,000 works, and counting, that SOS! has entered into the Inventory of American Sculpture.

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THE WHITE HOUSE

WASHINGTON

file Sculpture

March 29, 1995

Dear Melanne:

I have talked to David Furchgott of the International Sculpture Center and Townsend Wolf about the "Save Outdoor Sculpture" organization.

I think that it might be appropriate, at the opening reception perhaps, for Mrs. Clinton to recognize SOS for their contribution to the preservation of outdoor sculpture.

Sincerely,

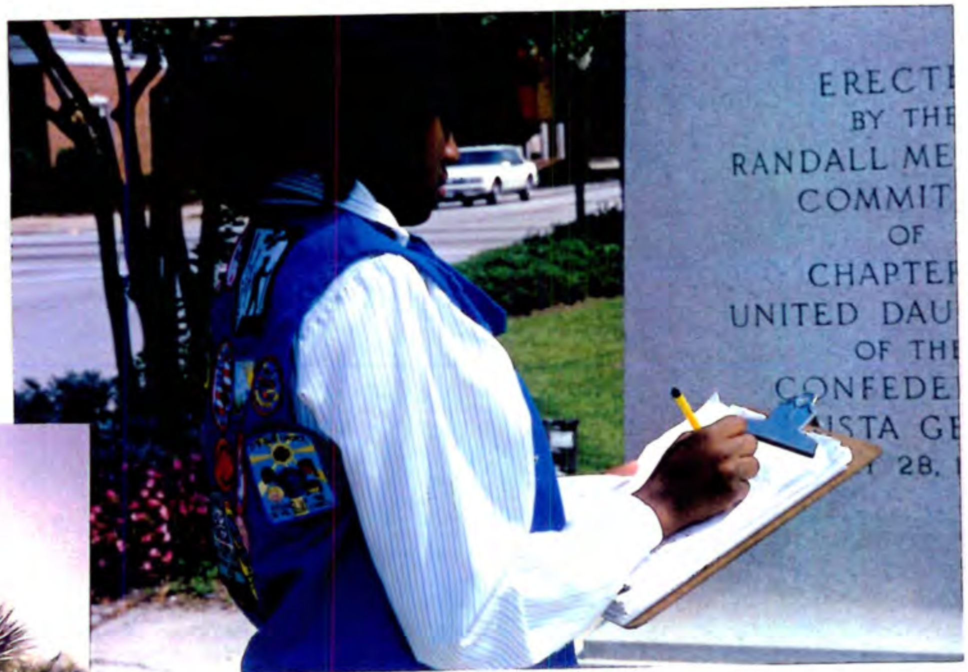
Rex Scouten

Rex W. Scouten
Curator

Ms. Melanne Verveer
Deputy Assistant to the President
and Deputy Chief of Staff to the
First Lady
Room 100
Old Executive Office Building

Put in folder for Sculpture Event as we prepare remarks

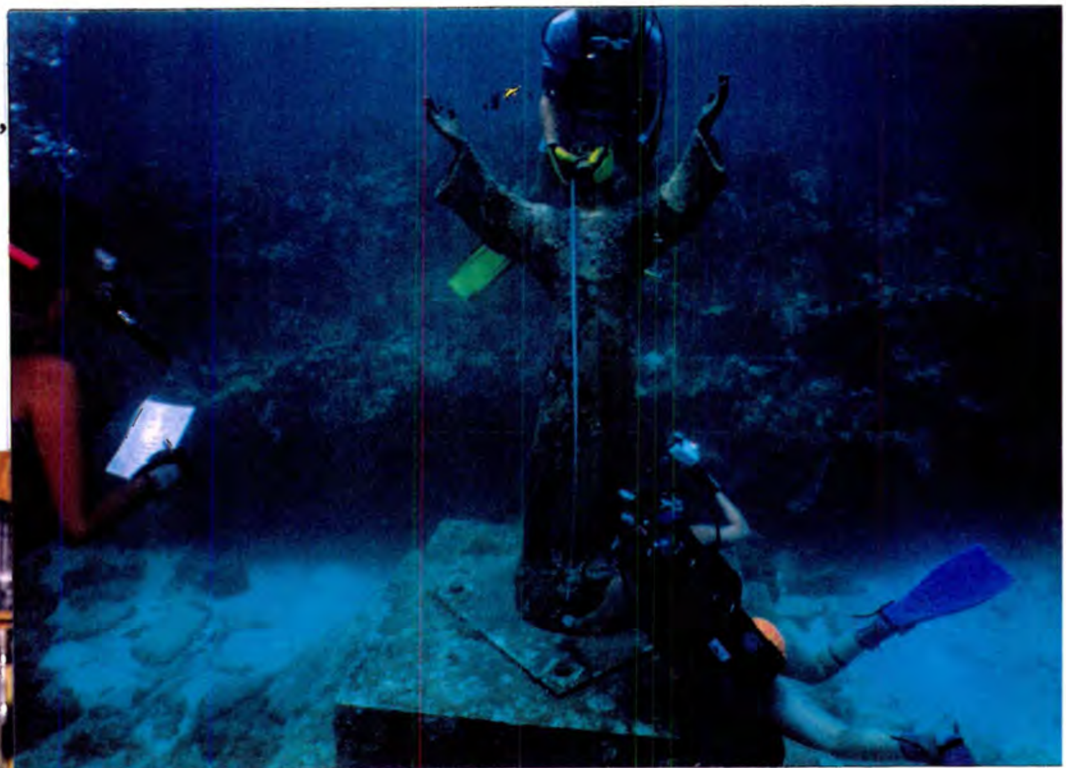
Luciani Nelson, Senior Girl Scout Troop 210, achieved her gold award by surveying 10 outdoor works, supervised by Betty Jones, program manager for the Central Savannah River Girl Scout Council.



Florissa Colina wears several hats as an SOS! volunteer. On rollerblades, she covered more ground when searching for local sculpture. In addition, she wrote a booklet that lists all Tampa SOS! findings and project activities.

New York SOS! volunteer David Grotke, featured in <u>American Motorcyclist</u> (August 1994), discovered 20 sculptures on his 1985 Honda Shadow, including this piece *William Seward*, by W.G. Robinson (1868).

Florida SOS! volunteers, Joanne, Robin and Tammy Swetman (L to R) took the plunge to survey *Christ of the Deep* by Guido Galletti. The 9-foot bronze sculpture is located 3.5 miles offshore at Key Largo, admist a coral reef, a popular site for divers and snorklers.



Dora Timmerman, co-coordinator, Wichita SOS!, piloted a sculpture-appreciation program consisting of walking tours slide shows and visits from a sculptor for 80 fifth grade students. The unit culminated with students unveiling their own works on the school grounds at a ceremony attended by school and local officials, a state senator and Member of Congress. The school board added the program to the curriculum.

In Elberton, Georgia, Alice Terry got hooked on SOS! and sparked similar enthusiasm with her sixth graders, self-named the "HARD ROCK Kids," an acronym for "Having a Real Dream– Restoring Our Cultural Keepsakes." Terry was the surveyor, guiding and supervising the students, who researched and photographed 12 sculptures and wrote articles for the weekly county newspaper.

fte Sculpture

University of Nebraska Lincoln

Sheldon Memorial Art Gallery
and Sculpture Garden
P.O. Box 880300
Lincoln, NE 68588-0300
(402) 472-2461

Sent T Melanne for HRC

October 13, 1994

Mrs. Hillary Rodham Clinton
First Lady of the United States
The White House
1600 Pennsylvania Avenue
Washington DC 20500

Dear Mrs. Clinton:

I write to express my personal appreciation for having the opportunity to serve as curator for the current display of 20th Century American sculpture drawn from Midwest art museums. Because of the willing cooperation of my colleagues and their respective institutions with important loans, I am confident that the exhibition will fulfill your intended objectives. You are to be congratulated on your insightful utilization of the unique setting of the White House to provide an opportunity for visitors to experience the creative endeavors of American contemporary artists. I would also like to take the opportunity to express my appreciation to the dedicated White House staff who provided guidance and assistance in this project--particularly Rex Scouten, Irwin Williams, and Gary Walters for their informed dedication to their respective responsibilities. Again thank you and the President for your personal commitment, support and understanding of the vital contributions of the arts in America's society.

Sincerely,

George W. Neubert
Director

GWN:mw

The Washington Post

Chronicles

Garden of Artful Delight

By Sarah Booth Conroy
Washington Post Staff Writer

In the twilight, after a day fraught with stresses and successes, Hillary Rodham Clinton likes to sit on a bench in the First Lady's Garden and look at the American contemporary sculptures that now bloom there.

The first lady doesn't want to keep it all to herself, but to share with the 1.2 million people who come to the White House annually the capacity of the 12 sculptures to "evoke our emotions and provoke our ideas," she said.

"At a time of great debate about the role of art in society, I am particularly pleased that we can showcase American art and artists," she said. "Art is not a marginal part of our culture—nor a luxury that should only be accessible to those who can afford it."

Most Tuesday through Saturday mornings, not only potentates and patrons but also the public can stroll and peer at the sculptures through the glass-walled East Colonnade. During the autumn garden tour the populace can walk through the exhibit of works from Southeastern museums, which is the second to be installed. The first was from Midwestern museums and the third, to be installed in the fall, will be from a region yet to be announced.

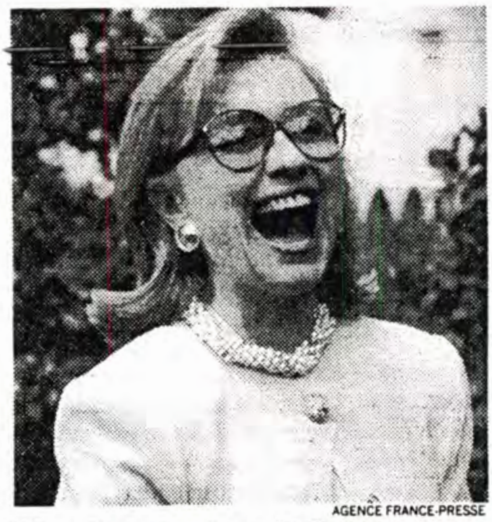
At a gathering last week of art and preservation patrons and officials to see the new exhibit, most of the 250 or so guests became mesmerized. The cause was the great 1969 George Rickey kinetic sculpture—a stainless steel post with arms that move, point, shift and dance with the slightest urging of the breeze. As the sun came out of a cloud, J. Carter Brown pointed out: "The George Rickey comes alive in the light." As if it had heard, "Two Lines Oblique, Atlanta," waved its great arms, sending the rays shivering along.

The Chronicler thought it would be riveting to see the artwork perform in the presidential helicopter's wake. Townsend Wolfe, director of the Arkansas Arts Center in Little Rock, assured the Chronicler that the helicopter lands at a discreet distance from the sculpture. "We tried the Rickey first at the east end, but it works much better here."

The Association of Art Museum Directors chose Wolfe to select the works. Wolfe "is someone I have known for a long time, admired and appreciated," Mrs. Clinton said, "and had nothing to do with his selection." The curator said, "I helped them with art for the governor's mansion."

All but one piece are by living artists who continue what Mrs. Clinton called "the rich diversity of American creativity."

A MacArthur Foundation grant winner, John Scott, made "Target I" (1993), polychromed welded steel silhouettes. The Birmingham Museum of Art lent the piece. Lonnie Holley, self-taught, used found materials—concrete, wood, paint and straw—to make "Leverage" (1993),



AGENCE FRANCE-PRESSE

Hillary Clinton laughs in the First Lady's Garden, where 12 sculptures are exhibited.

lent by the Michael C. Carlos Museum, Emory University. Mark di Suvero is represented by the painted steel "Pollock's Indians" (1976), lent by J.R. Speed Art Museum, Louisville.

The only sculpture by an artist who has passed on and the earliest work in the group is that by David Smith, probably the most famous sculptor of the dozen represented. "Cubi XXVI" was constructed of steel posts in 1965, the year Smith died. The National Gallery of Art lent the work—how could it refuse Brown, its director emeritus as well as a member of the Committee for the Preservation of the White House?

All but the Rickey are framed in squares edged by a low hedge bordering the rectangular grass-covered court. Rachel Lambert Mellon, with her husband, Paul Mellon, a great collector and patron of art, designed the garden for Jacqueline Kennedy.

Though the sculpture fits its place, the significance of the new art goes far beyond its immediate pleasure.

The White House has become a great display of American architects, artists and craftsmen of the first years of the 18th century. The permanent collection (except presidential and first lady portraits) is officially limited to works made at least 25 years ago, by artists no longer alive.

But, Mrs. Clinton told the Chronicler, she's tried to extend the time boundaries—carefully, not to offend tradition. The Committee for the Preservation of the White House and the White House Historical Association, both invigorated by her interest in the historic premises, are providing strong advice and consent. They cooperated on the sculpture exhibition, which was financed by the Iris and B. Gerald Cantor Foundation.

The White House Craft Collection, another exhibit of living American artists championed by Mrs. Clinton, was recently displayed at the president's house. It's now at the National Museum of American Art and the subject of a book published by Abrams and will travel throughout the country. Eventually the crafts will go to the Clinton library/archives, but they will be lent to other venues, including, by request, the White House.

The exhibits help make Mrs. Clinton's point: "Today we confront challenging decisions about the kind of people we are, the society we wish to have, the country we will live in, as we move into the 21st century."

Admission to the White House tours is free. Call 202-456-7041 for information.

Jfle Sculpture

FIRST LADY HILLARY RODHAM CLINTON
REMARKS FOR THE RECEPTION FOR THE SECOND SCULPTURE EXHIBITION
IN THE FIRST LADIES GARDEN
THE WHITE HOUSE
MAY 15, 1995

It is a pleasure to welcome so many friends and lovers of art as we celebrate the second exhibition of contemporary American sculpture in the First Ladies Garden.

At a time of great debate about the role of art in society, I am particularly pleased that we can showcase American art and artists at the White House. The President and I have always believed that art is not a marginal part of our culture, nor a luxury that should only be accessible to those who can afford it. Art evokes our emotions and provokes our ideas. It enlarges our understanding of the world around us. It tells us who we are and what we can be. And it ought to be experienced and shared by all Americans.

The 12 pieces assembled for this exhibition represent American sculpture since 1965. Like the sculptures in the first exhibit, which some of you saw while they were on display in the fall, these sculptures embody the rich diversity of American artistic tradition and reflect the power of creative expression in our culture.

I hope you and the tens of thousands of visitors and guests who pass through here over the next few months will feel the same sensations of joy, excitement, inspiration, intrigue, and challenge as I do when looking at these wonderful works of art.

And I hope that in seeing this exhibit all Americans will be reminded of the vital role that art plays in strengthening the democratic ideals upon which our nation is founded.

As some of you know, the idea for this exhibition was inspired, in part, by First Lady Jacqueline Kennedy Onassis. My all too brief friendship with her left a lasting impression on me, as it did on many others. It is a fitting tribute to her and to the extraordinary contributions she made to the White House to keep alive her appreciation of the arts through this ongoing exhibition of contemporary American sculpture.

Many people have helped us realize this dream: Townsend Wolfe, the director and chief curator of the Arkansas Arts Center; J. Carter Brown; Rex Scouten; J~~ane Alexander~~; ~~and~~ George Neubert, curator of the last exhibit. and members of the White House Historical Association and the Committee for the Preservation of the White House

I would also like to thank Betsy Broun [Brune], director of the National Museum of American Art, and Larry Reiger [Ree-gur], for their efforts to save and preserve our nation's outdoor sculpture through the "Save Outdoor Sculpture" program.

Finally, I would like to acknowledge the artists who created these magnificent sculptures, some of whom are with us today. You are the ones who bravely subject yourselves to public scrutiny through this creative medium. It is an enormous contribution to give to society in the ways you do.

We thank you, not only for adding beauty to our daily surroundings, but for keeping us from becoming to complacent about the lives we lead and the world we live in.

Please join me in welcoming [updated list will be provided Monday morning]:

Elizabeth Catlett
David Deming
Carol Hepper
William King
~~George Rickey~~
John Scott
Boaz Vaadia [VAH-dee-uh]

Lonnie Holley
Beverly Pepper

Thank you all -- and thanks to all of you whose support of the arts makes life better for all Americans.

###

Twentieth Century American Sculpture at the White House: A Southeast Region Exhibition

9.
William King
1925-
Adolescence
1982, cast & plate aluminum
Hunter Museum of American Art
Chattanooga, Tennessee

8.
George Rickey
1907-
Two Lines Oblique, Atlanta
1969, stainless steel
High Museum of Art
Atlanta, Georgia

7.
Carol Hepper
1953-
Vertical Void
1994, copper & steel
Orlando Museum of Art
Orlando, Florida

10.
Mark di Suvero
1933-
Pollock's Indians
1976, painted steel
J. B. Speed Art Museum
Louisville, Kentucky

6.
Lonnie Holley
1950-
Leverage
1993, concrete, found wood, paint, straw
Michael C. Carlos Museum, Emory University
Atlanta, Georgia

11.
Boaz Vaadia
1951-
Zur With Dog
1989, bronze & stone
Norton Museum of Art
West Palm Beach, Florida

5.
Beverly Pepper
1924-
Ternana Altar II
1991, cast iron with fabricated steel base
National Museum of American Art
Smithsonian Institution, Washington, DC

12.
David Deming
1943-
Defender
1986, painted steel
Arkansas Art Center
Little Rock, Arkansas

4.
John Scott
1940-
Target I
1993, polychromed welded steel
Birmingham Museum of Art
Birmingham, Alabama

3.
David Smith
1906-1965
Cubi XXVI
1965, steel
National Gallery of Art
Washington, DC

At the entrance to the garden:

1.
Alison Saar
1956-
Snake Charmer
1985, painted wood, medals, nacre, ceramic, glass
Hirshhorn Museum and Sculpture Garden
Smithsonian Institution, Washington, DC

2.
Elizabeth Catlett
1919-
Mother and Child
1983, mahogany
New Orleans Museum of Art
New Orleans, Louisiana

Twentieth Century American Sculpture at the White House: A Southeast Region Exhibition

April 1995

I have always loved sculpture. My husband and I spent our first date in an art gallery's garden filled with American sculpture. The President and I hope this exhibition of 20th century American sculpture will delight, challenge and inspire the thousands of visitors who pass through the White House every day.

It is also appropriate that this exhibition is on display in the garden conceived of and created by First Lady Jacqueline Kennedy. Mrs. Kennedy believed that art could and should be a part of all of our lives. Now these masterpieces of contemporary art will be accessible to a new and larger audience than ever before.

These twelve sculptures celebrate the special genius of American artists and their enduring capacity to stir our imagination and touch our hearts.

I hope this celebration of America's creative spirit will enable each of us to gain a greater appreciation of the rich cultural traditions we share as a nation and as a people.

My special thanks go to the Association of Art Museum Directors, the Iris and B. Gerald Cantor Foundation, Townsend Wolfe, J. Carter Brown, and the lending institutions, for their time, energy, and wisdom in making this exhibition possible.

Hillary Rodham Clinton

The curator of the exhibit is Mr. Townsend Wolfe, Director and Chief Curator of the Arkansas Arts Center, Little Rock, Arkansas.

First Lady Hillary Rodham Clinton opened a new exhibition of twentieth-century American sculpture at the White House on April 7, 1995. The sculpture will be on display in the Jacqueline Kennedy Garden through September 1995.

This exhibition is the second in a series organized under the auspices of the Association of Art Museum Directors. Through the generosity of the Iris and B. Gerald Cantor Foundation, twelve pieces of 20th century sculpture were loaned to the White House from museums in the Southeast. The Committee for the Preservation of the White House, which Mrs. Clinton chairs, hopes to continue the exhibition with pieces of sculpture from public art collections from every region of the country.

The twelve works of art focus on American sculpture from 1965 to the present. Though retrospective in nature, all the artists, save one, are alive and working today, and all have learned from and been inspired by the artists who have preceded them in this century. Their work is like America itself - full of consistency and change and fresh expression grounded in the rich soil of tradition. Through the use of new materials, new hues, and unusual forms, they cause us to question our own sensibilities and to contemplate things we have never seen or felt or thought about before.

Metal and paint have replaced stone and clay as primary working materials. For the most part construction is the method used to realize an idea, rather than modeling or carving. Grand figures, familiar portraits, and heroic events as subject matter have given way to new, compelling, and powerful forms which energize our imaginations and renew our souls.

The works of art reflect the diversity, vitality and energy of our past, present, and future. They include work by a self-taught artist using discarded and found materials, work by a MacArthur Fellow, work by one of America's most famous sculptors, and work by other artists both well known and yet-to-be-known. Each work is a personal contribution to the American vision of human life and understanding. They invite and encourage us to be affected by that vision. Each of us will respond to that invitation differently, but one thing we all will see the same: art in America is alive and well, rejoicing in today and eager for the future.

DRI/McGraw-Hill

Roger E. Brinner
Executive Director and
Chief Economist

DRAFT

Wall Street Journal

Dear Editor:

The harsh attack you launched against Alicia Munnell in the lead editorial on May 9 was grossly unprofessional in tone and incredibly incompetent in content. If you had genuine confidence in your core criticisms, perhaps you would not have used such linguistic garbage as your clause leading off the third paragraph: "Without descending to the ad feminam level,...." Just what was that supposed to mean? But, perhaps you knew your descriptions of her policy positions were either absolutely wrong or a long stretch from reality, and hence you needed to resort to silliness in your obvious campaign to disparage every appointee of President Clinton. For example, you link her with proponents of "Economically Targeted Investments" when any reasonable reading of Dr. Munnell's policy analysis of the past two decades reveals her opposition to such policies. Or, you might have noted that when some economists thought they had discovered convincing evidence that public infrastructure spending offered exceptionally high rates of return to the nation (in spite of its popular reputation as a locus of much pork-barrel spending), Dr. Munnell directed research and a nationally publicized symposium to debunk this theory. These are certainly the opposite of the policy positions your readers would expect of someone you summarize as "an economist with ideas on the fiscal fringe."

Your opposition to President Clinton is not enhanced by shoddy, uninformed attacks against a first-class professional who has dedicated her professional economics career to serious policy research while employed in the public sector, eschewing lucrative consulting and commercial opportunities. You should promptly apologize just as prominently as you have attacked in error.

Sincerely,

Roger E. Brinner
Executive Director and Chief Economist
DRI/McGraw-Hill

24 Hartwell Avenue
Lexington, Massachusetts 02173
Telephone: (617) 860-6661
Fax: (617) 860-6464

THE BROOKINGS INSTITUTION

1775 MASSACHUSETTS AVENUE, N.W. WASHINGTON, D.C. 20036-2188
TELEPHONE: 202/797-6128 FAX: 202/797-6181
ECONOMIC STUDIES

May 9, 1995

The Wall Street Journal
Dow Jones & Company
200 Liberty Street
New York, New York 10281

To the Editor:

The Wall Street Journal attacks the candidacy of Alicia Munnell for a seat on the FED for views she does not take and for policies about which the FED has nothing to say. But it says nothing about her views on monetary policy and regulation, which are the domain of the FED and with which, one hopes, *The Wall Street Journal* would agree.

The *Journal* suggests that because Ms. Munnell supervised a study that found *prima facie* evidence of discrimination in mortgage financing she endorses subsequent requirements that small businesses fill out burdensome forms to secure bank loans. The *Journal's* charge is undocumented and false. Ms. Munnell opposes such intrusive regulations.

The *Journal* links her to an idea to direct pension fund accumulations to "economically targeted investments," a strategy espoused by some Clinton administration officials, but not by the Clinton Administration. Furthermore, this policy is one that Ms. Munnell explicitly opposes. The *Journal* should get its facts right.

Finally, there is the much bruited issue of taxing pension fund accumulations. If the FED had anything to do with tax policy, the *Journal's* criticism of an idea Ms. Munnell put forth in an academic article several years ago and has not mentioned during her service in the Treasury Department might have some merit.

But the FED deals with monetary policy, not tax policy. In this area, Ms. Munnell's views are clear -- to prevent excessive monetary growth that would kindle inflation. She does not, it is true, support a return to the gold standard to straightjacket monetary policy. But the *Journal* would be hard put to find a worthy candidate who did. If the *Journal* is genuinely interested in sound management of the economy and not in misrepresenting the views of a highly competent fiscal moderate, it should at a minimum, not fabricate charges that she is on the fiscal fringe.

Sincerely yours,

Henry J. Aaron

Henry J. Aaron
Director, Economic Studies

THE BROOKINGS INSTITUTION

1775 MASSACHUSETTS AVENUE, N.W. WASHINGTON, D.C. 20036-2188
TELEPHONE: 202/797-6000 FAX: 202/797-6004

Economic Studies Program

April 28, 1995

The Washington Times
3600 New York Avenue, N.E.
Washington, D.C. 20002

To the Editor:

In trying to derail Alicia Munnell's rumored appointment to the Board of Governors of the Federal Reserve, *The Washington Times* seems prepared to attack Ms. Munnell for positions she has not taken and to misrepresent those she has taken.

Rather than favoring the use of Social Security reserves to cover deficits elsewhere in the budget, Ms. Munnell before serving in the Clinton Administration favored Senator Moynihan's proposal to move Social Security financing to a pay-as-you-go basis, which would have prevented the practice *The Washington Times* ostensibly deplores.

The Washington Times charges that she is weak on policy to promote price stability, but then presented exactly no evidence--zero, nil--to support this charge. Instead, it invokes a recommendations on pension taxation she made at a scholarly conference well before joining the Clinton Administration, despite the fact that the Federal Reserve has no voice on tax policy.

It also attacks a study of the Boston Fed, which found evidence of discrimination in the fact that black applicants for mortgages are approved less often than similar white applicants. It reports that similar default rates in white and minority census tracts, as if this fact refuted the finding of discriminatory lending practices. In fact, it seems to confirm the rumored practice of geographic "red-lining," something that seems not to perturb the editorial writers of *The Washington Times*.

Hey, guys. Even hatchet jobs have certain standards.

Sincerely yours,

Henry J. Aaron

Henry J. Aaron
Director

86 Trinity Place
New York, New York 10006-1881
212 306-1100

Richard F. Syron
Chairman of the Board

May 10, 1995

American
Stock Exchange

Letters to the Editor
The Wall Street Journal
200 Liberty Street
New York, New York 10281

Dear Editor:

I am writing to comment on your editorial in Tuesday's Wall Street Journal about Alicia Munnell as a potential Federal Reserve Governor. I should state, up front, that I have know Alicia, both as a colleague and as a friend, for more than two decades.

I have always been greatly impressed by Mrs. Munnell's clarity of thought and exposition on a wide array of both micro and macro economic issues. Most important in deciding on her qualifications for the Federal Reserve Board, is her ability to objectively analyze macro economic developments and to assess the risks of inflation, in particular. During the time that I was President of the Federal Reserve Bank of Boston and Mrs. Munnell served as that Bank's Chief Economist, I found she brought absolutely no bias, liberal or conservative, to that issue. She was extremely talented in reviewing economic data and making clinical determinations of the likely outlook for the economy. I am also convinced that as someone who was in the Federal Reserve during both the 1979-1981 period and the more recent recession, she is highly aware of the cost of reducing inflation once it develops.

In summary, I am convinced that Alicia would bring both substantial intellect and high integrity to the Board of Governors, crucial attributes in such an important position for our nation's future.

Sincerely yours,

Dick Syron

RFS:kf

AMEX

THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON

May 11, 1995

Letters to the Editor
Wall Street Journal
World Financial Center
200 Liberty Street
New York, New York 10281

Dear Editor:

Your editorial questioning the qualifications and judgment of Alicia Munnell, who serves as Assistant Treasury Secretary for Economic Policy, misrepresented her views. It was a badly drawn characterization of a public servant who has shown good judgement and balance. So let's set the record straight on Alicia Munnell.

Your most prominent attack against her appears to be based on a misunderstanding. You claimed that she supports policies requiring pension funds to provide money for risky or low-return socially-driven investments. That is incorrect. Neither Dr. Munnell nor the Adminsitration supports such practices. In fact, Dr. Munnell published an article, "The Pitfalls of Social Investing," in which she criticized public pensions which had sacrificed rates of return for their pensioners.

This is just one of the mistakes contained in your editorial. I should also note that this Administration has absolutely no intention of taxing pension funds, contributions, or earnings, and has never even considered such an action.

Alicia Munnell is a first-rate economist. She has contributed to the Administration's work in a variety of significant ways, including research and analysis that helped in the efforts for passage of NAFTA and GATT. She is a valued member of the Treasury Department.

Secretary Rubin, who is in Russia with the President, has asked me to indicate his full concurrence with these views.

Sincerely,

Frank Newman

Frank N. Newman

Joint Economic Committee
U.S. SENATOR Connie Mack CHAIRMAN

PRESS RELEASE

FOR IMMEDIATE RELEASE
MAY 11, 1995

CONTACT: SHELLEY HYMES
202-224-7683

10 SENATORS SIGNAL CONCERN TO CLINTON ABOUT FEDERAL RESERVE BOARD POSITION

Led by Senator Connie Mack (R-FL), Chairman of the Joint Economic Committee, ten Republican Senators today sent a letter to President Clinton expressing their interest in the President's upcoming nomination opportunity to the Federal Reserve Board. In relaying the importance of this position and the role of the Federal Reserve to the financial and economic health of the nation, the Senators wrote, " We would like to communicate our concerns that this nomination be fashioned with a keen eye turned toward the stability of our currency and the importance of keeping our capital markets free from burdensome regulations, taxes and mandates."

The Senators' main concern is to ensure that any candidate that the President nominates should have strong commitment to sound money policy and the goal of price stability. According to the Senators, "Any attempt to use monetary policy to boost the performance of the economy in the short-term exacerbates financial market volatility, undermines the value of U.S. currency, and leads to higher unemployment over time. A Federal Reserve monetary policy based on price stability is the best way to assure strong and consistent job growth in both the short and long-term."

According to recent news reports, President Clinton's choice for the Federal Reserve position available is Alicia Munnell, currently an Assistant Secretary at Treasury. Munnell has advocated a 15 percent tax on pension assets, and according to news reports, is a strong supporter of the President's Economically Targeted Investments strategy, and an advocate of multiple goals for Federal Reserve policy.

The Senators conclude, "A monetary policy focused on price stability would be the single greatest contribution that the Federal Reserve could make to the long-term health of the U.S. economy. We encourage you to nominate someone who will share these views."

Congress of the United States
JOINT ECONOMIC COMMITTEE
(CREATED PURSUANT TO SEC. 5(a) OF PUBLIC LAW 304, 79TH CONGRESS)
Washington, DC 20510-6602

95 MAY 12 A10 : 16

May 10, 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

Your upcoming opportunity to nominate a member to the Federal Reserve Board of Governors carries great importance for the financial and economic health of this nation. The term of this Governor will run into the 21st century; a century which will be characterized by both rapid integration of the financial markets and global financial trade. We would like to communicate our concerns that this nomination be fashioned with a keen eye turned toward the stability of our currency and the importance of keeping our capital markets free from burdensome regulations, taxes and mandates.

A recent hearing held by the Joint Economic Committee regarding the role of the Federal Reserve pointed out that the Fed should have the independence to concentrate on only one goal -- price stability. No other goal is as worthwhile or productive. Any attempt to use monetary policy to boost the performance of the economy in the short-term exacerbates financial market volatility, undermines the value of U.S. currency, and leads to higher unemployment over time. A Federal Reserve monetary policy based on price stability is the best way to assure strong and consistent job growth in both the short and long-term.

A commitment to sound money policy pays huge dividends; conversely, a lack of commitment to these policies does an equal amount of damage. Argentina and Mexico provide vivid examples of each philosophy. Argentina's commitment to a monetary policy which regards its currency as a contract with its citizens has increased confidence and stability during a time of financial market upheaval. Mexico's series of monetary maneuvers, which were designed to help the economy in the short-run, have forced that country and its citizens to pay a tremendous price in lost jobs (reportedly 500,000 this year alone), high inflation, and plummeting standards of living.

These diverse examples of the profound importance of monetary policy should provide a warning to our own nation, especially as we move toward the 21st century and the high degree of global financial integration that it will contain. Sound money policies and unfettered financial markets are essential for continued growth in employment, incomes, and profits.

A monetary policy focused on price stability would be the single greatest contribution that the Federal Reserve could make to the long-term health of the U.S. economy. We encourage you to nominate someone who will share these views.

Sincerely,

Connie Mack
United States Senator

Alfonse M. D'Amato
United States Senator

Phil Gramm
United States Senator

Richard C. Shelby
United States Senator

Larry E. Craig
United States Senator

Robert F. Bennett
United States Senator

William V. Roth, Jr.
United States Senator

Bill Frist
United States Senator

Rod Grams
United States Senator

Christopher S. Bond
United States Senator

AMERICAN BANKER Thursday, May 11, 1995

1

Front-Runner For Fed Makes Banks See Red

By JARET SEIBERG

News analysis

WASHINGTON — President Clinton would probably ignite a firestorm of protest within the banking industry if he nominated Assistant Treasury Secretary Alicia Munnell for a seat on the Federal Reserve Board.

Bankers know Ms. Munnell largely because of a controversial study on lending discrimination that she wrote while director of research at the Boston Federal Reserve Bank. That study concluded that banks discriminate against minorities.

But Ms. Munnell has excited controversy in a number of other areas in which she has published research, particularly in the fields of pension funds and public investments.

President Clinton has not decided whether to nominate Ms. Munnell for the Fed seat, and some industry sources said this week that the White House may have chosen to cast a wider net for candidates.

However, the 20-year Boston Fed veteran emerged as the front-runner last week after former Wachovia chairman John Medlin withdrew as a candidate for the seat that was vacated by former banker John LaWare.

Bankers, who believe the Fed is already too dominated by economists, want one of their own picked to replace Mr. LaWare.

"People in the industry have a strong preference for a bona fide banker, someone with actual banking experience," said Joe Belew, president of the Consumer Bankers Association. A banker can best explain the industry's needs to the economist-dominated Fed, he said.

But the industry's dismay over Ms. Munnell goes well beyond her lack of experience in a commercial bank. Those familiar with her work are enraged by her fair-lending study.

"She'll never be confirmed," said one angry bank economist, who, like many others, asked that his name not be used in connection with a criticism of an official who could become an industry regulator.

But Ms. Munnell's strongest critics are her fellow economists, some of whom said the Harvard University PhD advocates extreme economic theories and uses overly simplistic economic models that produce misleading results.

They point to her three most well-known interests — fair-lending, pension taxes, and public investments, as evidence of her problems.

On fair-lending, Ms. Munnell almost single-handedly created a new industry — fair-housing consulting.

The Boston Fed study which she directed renewed interest in the area and initiated a string of bank prosecutions by the Department of Justice.

Today, nearly every bank in the country is reviewing its operations carefully with an eye toward potential violations of the Equal Credit Opportunity Act and the Fair Housing Act.

In the study, Ms. Munnell and her three co-authors reviewed Home Mortgage Disclosure Act data and additional information collected from loan files, and concluded that Boston-area banks were discriminating on the basis of race.

"People in the industry have a strong preference for a bona fide banker, someone with actual banking experience."

Joe Belew
President,
Consumer Bankers Association

Community activists are quick to praise the study. "It was an important watershed event that absolutely promoted a dramatic change in the dialogue on fair-lending," National Community Reinvestment Coalition president John Taylor said. "That was a very good thing."

But a number of economists who have reviewed the study said her conclusions are off base. They said she misinterpreted the data and failed to include key variables that would have altered her results.

"A lot of people are really starting to zero in on the Boston Fed study," said Bert Ely, an industry consultant best known for predicting both the magnitude of the thrift crisis and the speed with which the banking industry would return to health.

"It had a lot of impact, but the more people look at the methodology, the more people are questioning it," Mr. Ely added.

A number of others have raised similar questions, including Federal Deposit Insurance Corp. economist David Horne.

CONT

FRONT - RUNNER

Alicia Munnell
Assistant Treasury Secretary

"Her research was imaginative. She didn't follow the conventional wisdom."

Eugene Sherman
Analyst,
M.A. Shapiro & Co.

who reported in a study last year that most of the discrimination that Ms. Munnell found disappeared once other factors were considered.

Also, Federal Reserve Board economist Glenn Canner released a study in January that sought to prove discrimination by looking at default rates. He found no evidence of discrimination.

But, Mr. Taylor said these technical challenges are irrelevant because the study forced a dialogue between banks and activists. "The fact that so many people have studied it lends credence to its importance," he said.

Ms. Munnell, speaking through the Treasury Department public affairs office, refused to be interviewed for this article.

In addition to concerns about her fair-lending work, bank economists cite two other areas of Ms. Munnell's work as grounds for concern.

First, they point to her proposal to levy a 15% tax on all pension funds and then assess an additional tax on every dollar added to a fund. "It is difficult to understand why such a large source of potential revenue is allowed to go untapped," she wrote in *New England Economic Review* in 1989.

She later retreated on the pension tax, saying she was merely presenting it as an option. But it still shocked many economists, who said it would devastate the country's already paltry savings rate.

"That would destroy the whole pension world," said Thomas Kelly, president of the Savers and Investors League, a pro-pension fund association. "That is so far out of mainstream thinking that it is horrible."

Banking economists also point to Ms. Munnell's work on the value of public investments. A study she oversaw concluded that using taxes for public investments — such as roads and bridges — produces greater benefits then lowering taxes and allowing the private sector to spend the money.

Later studies cast doubt on her conclusions, much like later studies questioned her fair-lending results. That worries some economists.

"If somebody gets reversed a couple of times, it does make you wonder whether the next time they say something you should pay a lot of attention," said Anthony Yezer, a George Washington University economics professor.

Her supporters counter that she's imaginative and willing to challenge the status quo.

"Sure, there were a lot of flaws in the [fair-lending] study," said William Cunningham, an economist and president of the industry consulting firm Creative Investment Research & Management. "But it was a new data set and people didn't have experience with it. She was one of the first to get out there and work with the new data."

Even some of her detractors praise her risk-taking. "Her research was imaginative," said Eugene Sherman, an analyst at M.A. Shapiro & Co.

"She didn't follow the conventional wisdom. She was willing to approach things unconventionally, which I admire enormously."

Also, Ms. Munnell knows the value of economic data, having supervised the government's primary economic forecasting arm at the Treasury Department.

And, she's publicly endorsed the Fed's anti-inflation policy. "I think it is a very sensible thing," she told the *Bond Buyer* in July 1993. "They want a level of inflation that does not interfere with decisions."

Finally, her supporters said she knows how the Fed works and what is expected from its governors.

Political observers said Ms. Munnell might be able to overcome the banking industry's objections if she didn't have to contend with the Republican-controlled Congress.

Banking committee Republicans, who must confirm any nominee, are wary about sending a liberal economists to the board because the terms of both Chairman Alan Greenspan and Vice Chairman Alan Blinder expire within the year, several observers said.

The senators may demand a package deal involving Mr. Greenspan and the other nominees, these sources said.

But, Ms. Munnell's supporters said its too early to count her out. They said she has survived tricky confirmation battles before, noting that she secured her current job despite an intense lobbying effort against her.

New Faces at the Federal Reserve

J. Commerce 5/10/95

By H. ERICH HEINEMANN

President Clinton should move cautiously in making his third appointment to the Federal Reserve Board.

The dollar is under attack in international currency markets. The economy has started to slide down a slope that may lead to recession in the next 18 to 24 months. Meanwhile, the central bank is on the defensive in its battle to end inflation.

Under such circumstances, an academic bureaucrat would not be the obvious choice for the seven-member board, especially a person with no visible commitment to stable prices as the Fed's principal goal. Yet that seems to be the direction that White House operatives have decided to go.

Published reports say the leading candidate for the vacant seat is Alicia H. Munnell, assistant secretary of the Treasury for economic policy. Many people view this appointment as innocuous, an opportunity for Treasury Secretary Robert Rubin to get Ms. Munnell off his payroll and open a slot for an adviser of his own choosing. But under the law two additional vacancies at the Fed will open within the next year.

This will give the president an opportunity to appoint a majority of the governing board of the nation's central bank. Vice Chairman Alan S. Blinder's term will expire on Jan. 31, 1996, and Chairman Alan Greenspan's will run out on March 2, 1996. Mr. Blinder is a Clinton appointee, but he has given no indication whether he will remain at the Fed or return to his teaching post at Princeton University.

In effect, the White House has decided to ignore some sage advice from retiring Fed member John P. LaWare. In his letter of resignation, Mr. LaWare said the president should appoint a senior banker to fill his seat. "The quality of board deliberations and decisions on banking matters," he said, "is enhanced by the direct participation of a member with personal private sector experience in banking."

Prior to her move to the Treasury, Ms. Munnell was head of economic research at the Federal Reserve Bank of Boston. Despite this extensive service, she has had little contact with the business of banking.

She describes herself as a "Social Security freak." She has long argued for taxing private pension plans, for imposing inheritance taxes instead of estate taxes and for putting a dollar cap on inheritances.

The common theme through Ms. Munnell's writing is deep distrust of market forces in allocating resources and a parallel desire to boost the government's role in redistributing income. Private pension plans, Ms. Munnell has maintained, "do not do a very good job of providing economic security."

Greater reliance on private plans, she added, "would probably have a negligible impact on saving and capital accumulation."

In a 1991 paper delivered in Leningrad in the former Soviet Union, Ms. Munnell said that "to the extent that large and durable concentrations of economic power are regarded as antithetical to economic and social mobility, taxes can be used to hinder the transfer of such advantages across generations."

Ms. Munnell did not discuss the impact of such an approach on entrepreneurial incentives. At the same time, Ms. Munnell is a longtime advocate of boosting government "investment" as a key way to increase economic growth.

By way of contrast to such views, recent experiments with private social security plans in Latin America — notably in Chile — already have produced sharp increases in saving, investment and growth.

Ms. Munnell said recently that slow and unequal growth in income is among President Clinton's central concerns. The White House response, she said, "has been initiatives to increase investment — both public and private — and investment in people. . . These efforts will take time to pay off . . . but investing and encouraging technology are really the only means to increase incomes in the long run."

Business investment in equipment, she told the Boston Economic Club, "is now at an all-time high." Gross investment in capital equipment does, indeed, represent a record share of gross national product at present. But *net* investment is what really counts for growth.

Despite a sharp recovery, this total is still well below the peaks registered in 1950s and 1960s as a share of net national product.

Depreciation charges for wear, tear and obsolescence ("capital consumption allowances") are the difference between gross and net investment. Many people believe investment outlays rebounded in the last two years in spite of Mr. Clinton's policies, not because of them. The president's first major initiative, after all, was a big increase in taxes on upper-income individuals who do most of the saving and investing. Only time will tell the full impact of the Clinton tax program.

Ms. Munnell also boasted that Mr. Clinton had achieved a "primary" surplus (revenue minus outlays except interest) "for the first time since the 1960s."

She was correct to focus on the primary budget, but wrong about history. The Treasury had a primary surplus under President Bush. Price stability, not government redistribution of income, should be the Federal Reserve's primary responsibility.

However, many analysts disagree. "If former Secretary of Defense Robert McNamara can own up to his horrendous errors on Vietnam," Investors Business Daily asked recently, "why can't the Federal Reserve chairman end his misguided campaign against inflation? . . . The real battle is for jobs, growth and profits."

Sadly, the paper's editorialists, who should know better, do not understand that the only way to get sustained "jobs, growth and profits" is with an environment of stable prices. This is the real issue as the president looks for new faces for the Federal Reserve.

H. Erich Heinemann is chief economist of Ladenburg, Thalmann & Co., investment bankers in New York.

Washington Times

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Another little visit was paid to yet another citizen, Horacio Grana, who legally immigrated from Mexico and who supported 187. After a federal judge blocked the successful ballot measure in a court ruling, Mr. Grana wrote to the judge objecting to the ruling and giving his name and address. A few days later U.S. marshals showed up to quiz him about it. "I told them I have the right to freedom of speech," Mr. Grana says. "They had a very bad attitude with me. It was like Gestapo tactics."

President Clinton leapt at the chance to blame his political critics on the right for the Oklahoma City atrocity, and the federal leviathan wastes no time investigating law-abiding supporters of immigration reform, but no one cares that left-wing extremist Hispanic activists have long openly called for violence and insurrection and pushed for the disintegration of the country. If this is an example of what the president means by "counter-terrorism," it makes you wonder if maybe the militias don't have a point.

The great pension-fund robbery

By Jim Saxton

All eyes are focused on the new Congress. Behind the scenes, however, President Clinton continues quietly to use administrative edicts and regulatory decrees to expand government's reach and extend his liberal social agenda. In no other area is he having a greater impact than with policy governing Americans' private pension funds.

In the investment world, the administrations' gambit is called "social investing." Social investing consists of directing and channeling private

Every American who plans on retiring someday should be very concerned.

pension investments into so-called socially desirable projects, such as public housing, infrastructure, job creation schemes and other pet projects of politicians. It has been tried before with public employees pension monies and has invariably failed. The administration tries to erase the stigma attached to social investments by renaming these social projects "Economically Targeted Investments" or ETIs.

Are ETIs Risky business? You bet!

The administration has pursued a devious behind the scenes, incremental approach to promoting ETIs because it knew that the pension community would offer stiff resistance and million of pensioners would be outraged if ETIs were sprung all at once. Stage one, therefore, began during the 1992 presidential campaign when candidate Clinton promised to create an $80 billion "Rebuild America Fund" leveraged with state, local and private-sector pension funds.

Stage two in Clinton's great pension grab came last June when Labor Secretary Robert Reich issued Interpretive Bulletin #94-1 (IB-94-1), which defined ETIs in a way designed to make them seem consistent with the federal law that protects private pensions funds from precisely this kind of monkeying around (The Employee Retirement Income Security Act —ERISA).

Stage three was the establishment of a "clearinghouse" intended to "showcase" the investments and give them the federal government's "good-housekeeping seal of approval." The Clinton Labor Department, without congressional authorization, intends to spend $1.2 million to get the clearinghouse up and running, after which it will be spun off as a private operation.

Stage four is now in the process of unfolding. It has been widely reported in the press that the president will nominate Assistant Treasury Secretary Alicia Munnell to be the next governor of the Federal Reserve Board. Not long ago, Ms. Munnell proposed a 15 percent federal tax on private pension funds to finance the liberal social agenda. Ensconced at the Fed, Ms. Munnell will be strategically situated to help the administration execute its grab for private pensions.

The language of ERISA is unambiguous. A pension fund manager is required to "discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and for the exclusive purpose of (i) providing benefits to participants and their beneficiaries; and (ii) defraying reasonable expenses of administering the plan."

In addition to ETI's obvious conflict with ERISA, the economic research indicates that pension funds which target social investments produce yields well below market averages.

In light of the empirical research on ETIs and given their dubious legal standing, stage five becomes easy to predict. The administration will seek ways for the federal government to offer subsidies and guarantees to inoculate trustee from culpability when ETIs get into trouble.

In an information packet distributed to congressional offices by the Clinton Labor Department, there is a revealing article by Richard Ferlauto of the Center for Policy Alternatives in Washington, laying out the true agenda behind ETIs. Although the administration proclaims publicly that ETIs are comparable to other investments, Mr. Ferlauto admits otherwise:

"ETI programs must be enhanced through the development and use of appropriate risk reduction mechanisms. Examples include state-funded loan guarantee programs, state or private insurance pools, and insurance premiums charged to the borrowers loan loss reserve pools, equity contribution form trust funds, low interest loans, and targeted subsidies."

This startling admission reveals not only that pension funds are at risk, but that taxpayers will be put at risk as well. Sound familiar? It should. It's savings and loan crisis deja vu, all over again.

The final stage of the great pension fund grab now comes clearly into focus: an ETI investment quota for all private pension funds similar to the loan quotas now being imposed on bank by the Clinton Justice Department. The Center for Policy Alternatives suggests a 5 percent quota on ETIs for state and local public pension funds. If a 5 percent ETI quota had been imposed on all pension funds in 1993, the government would have conscribed a whopping $175 billion into the compulsory economic service of the U.S. government.

Today, I am introducing a bill, the Pension Protection Act of 1995, that will protect the 36 million private pension participants from Mr. Clinton's pension-fund grab. ERISA couldn't be clearer: Trustees may not invest in ETI's because by definition ETIs seek to benefit someone other than solely the participants and beneficiaries of the pension. My bill removes any uncertainty by

making it unambiguously clear that "solely means solely, not "primarily" or even "over whelmingly."

My bill also will prohibit the federal govern ment from guaranteeing, subsidizing or encou aging social investments. And, it will put an en to the clearinghouse.

Every American who plans on retiring som day should be very concerned about what th Clinton administration is up to. I believe that we act quickly, we can ensure that everyo working today can rest easy tomorrow.

Rep. Jim Saxton, Republican of New Jersey, is vice-chairman of the Joint Economic Committee.

vakia and wanted to know what to do. The Germans had ordered all Czechoslovak troops to report to camps. My father told my Uncle Felix to ski over the Tatra mountains to Poland. But Felix was caught by the Polish border guards and sent back. He then hid out for a few weeks and went over again with smugglers, making it to Krakow. From there he contacted my father who arranged a visa to England. Uncle Felix caught the very last boat before Germany invaded Poland, cutting off all escape for Jews.

Then my mother saw Hitler march into Paris, after France surrendered. She immediately left, not even returning to her rented room for her things. Instead she began the long walk south along roads flooded with refugees and strafed by German planes. She recalls how she threw herself to the ground in the ditch by the road and after the planes stopped attacking, realized she was face down in cow manure.

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The Ultimate Raid

Fussing over positions on Henry Foster's nomination may seem like an important activity to Republicans preparing a family-values brief for 1996. But the GOP is falling asleep at the switch if its focus on Dr. Foster causes it to drop the ball on Alicia Munnell.

The Surgeon General is not an important job. A Fed Governorship is another matter. The President's advisers reportedly plan to forward Ms. Munnell's name to the President, paving the way for nominating her to the Federal Reserve seat being vacated by John LaWare. If confirmed, Ms. Munnell, who currently serves as assistant secretary for economic policy at Treasury, would be the third Clinton name installed at the bank, holding a seat that expires in 2002. The Fed is responsible for our money, which of course has a lot to do with our national well-being, so it matters what Ms. Munnell thinks about the nation's economic life.

Without descending to the ad feminam level, we would first of all note that while a vice president at the Boston Fed, Ms. Munnell displayed a disconcerting enthusiasm for intrusive government. She is most widely associated with a controversial redlining study that used mortgage data to argue that banks were discriminating against blacks. Among other effects, this effort led to last year's proposal to require small businesses to fill out a "race form" delineating the racial composition of their payroll when they want to borrow money. But nowhere is Ms. Munnell's enthusiasm for government power more evident than in her proposals affecting private U.S. pension funds.

There's close to $4 trillion accumulated in the employer-sponsored pension system in this country, and liberal strategists have talked for years about tapping into it somehow. The Clinton Labor Department already talks about "Economically Targeted Investments" (ETIs), aimed at tempting pension fund assets toward public housing, infrastructure and the like. Alicia Munnell is no exception to this impulse: Over the years she has published arguments again and again for raiding some of that dough.

In a 1992 article in the New England Economic Review, Ms. Munnell asked, "Current Taxation of Qualified Pension Plans: Has the Time Come?" In it she attacks the tax deductibility of pension benefits. Reflecting the class-based obsessions of her current boss, she wrote: "Qualified plans provide retirement income to a steadily declining and decidedly non-poor portion of the population. . . ." And: "In short," she writes, "the favorable tax treatment of compensation received in the form of accrued pension benefits does not appear to be achieving high-priority social goals."

Currently, pension funds aren't taxed until withdrawal. To achieve her "goals," Ms. Munnell wants to end the special tax status of pensions. She would go one step further and levy a tax of 15% on annual contributions and pension earnings at the fund level, and a one-time assessment of 15% on existing funds.

The funds she is talking about constitute one-third of all equities currently trading in U.S. markets. A 15% tax means Ms. Munnell wants $600 billion, the equivalent of all personal and corporate income taxes paid in the year she published. Ms. Munnell's reach almost rivals Hillary Clinton's effort to rope in 14% of GDP. Of course, this scheme assumes that all of this money would flow into Uncle Sam's coffers rather than disappearing down thousands of tax-dodge rabbit holes, such as municipal bonds.

Then there's the matter of savings. Alarm bells are already ringing that national savings are too low to support the 76 million baby boomers about to retire. The Council for Economic Development, a private nonprofit group of corporate executives and university presidents, last week put out a paper entitled "Who Will Pay for Our Retirement?" Demography alone is already mugging our national retirement systems; Ms. Munnell's proposals bid to deliver the knockout punch.

Some may argue that an economist with ideas on the fiscal fringe doesn't automatically translate into a clear and present danger to monetary policy. But we live in an integrated economic system, and somehow the idea of having a charter member of the Democratic class-warfare club sitting on the Fed doesn't sit very well. In her confirmation hearings for appointment as assistant Treasury secretary, the Senate let Ms. Munnell get by without a long discussion about pensions or, for that matter, how economies grow. But if the Republicans somehow think it is important to pull over to the side of the road for days to investigate a proposed Surgeon General, it had better find time to check out what's driving Mr. Clinton's likely nominee for the Federal Reserve Board.

Gingrich Can Avert GOP Disaster Over Medicare

GW WSJ A20

By Peter J. Ferrara

The Republicans face a potential political disaster over Medicare. The reform plan developed over the past several weeks at the House and Senate staff levels would impose penalties on elderly Medicare beneficiaries unless they choose to receive their health care from health maintenance organizations. The plan would then squeeze Medicare payments to the HMOs and let the HMOs ration retiree health care.

If this sounds familiar, it should. It was the essence of the Clinton health plan last year, the most decisively rejected idea in American politics since slavery.

But it gets even worse. The current staff proposals would increase Medicare premiums paid by the elderly, already totaling $1,100 per year for a couple. These Medicare premiums are deducted directly from Social Security checks. The planned premium increases would consequently reduce net Social Security payments. Politically, this would inevitably be seen as a cut in these benefits, directly contrary to repeated Republican promises to leave Social Security alone.

The political impact can be seen in the fight over catastrophic health insurance in the late 1980s. Congress at that time increased Medicare premiums on the elderly to finance added Medicare benefits. The result was a political firestorm that forced the repeal of both the added premiums and the added benefits. Unfortunately, some Republicans in a position to pose as reform strategists now want to adopt the same premium increases, but without the added benefits.

House Speaker Newt Gingrich, whose staffers are among the few who have recognized these problems, pulled the Republicans back from this course last week. He effectively called for the development of a new plan outside the budget process that would leave managed care as just one option among many.

Mr. Gingrich now seems to be leaning in favor of a proposal already developed by free-market and conservative organizations, led by the National Center for Policy Analysis in Dallas. The essence of that proposal is to allow the elderly to withdraw their share of funds from Medicare, including Parts A and B, and purchase their coverage from any alternative private source they may prefer. The private options would include Medical Savings Accounts (MSAs), HMOs, employer health plans, or any other private insurance.

The share of Medicare that each elderly retiree could withdraw to purchase private coverage would be limited to grow no faster than Medicare revenues, averting the program's impending financial collapse. Each retiree's share of Medicare would also be risk-adjusted to reflect his or her age, geographic area and health risk. Consequently, those who are older and sicker would receive more from Medicare to purchase private coverage...

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The Washington Times THURSDAY, APRIL 27, 1995 A22

Alicia Munnell and the Fed

The Democratic agenda is dead on Capitol Hill. It's not surprising, therefore, to see the Clinton administration concentrate on the levers of power available to the executive branch, including consent decrees and executive orders. Indeed, a little subcabinet cabal seems to be coalescing to achieve goals administratively that cannot be reached legislatively. Unlike state and local governments, which comprised the major policy arenas during the era of unfunded mandates, today's principal targets are private institutions, especially those with lots of cash — banks, pension funds, etc.

Among the numerous executive-branch officials spearheading this Congress-bypassing power grab are Deval Patrick at Justice, soon-to-depart Roberta Achtenberg at Housing and Urban Development, Olena Berg at Labor and Comptroller of the Currency Eugene Ludwig. Assistant Treasury Secretary Alicia Munnell, a Harvard-trained economist and a former vice president and research director at the Federal Reserve Bank of Boston, seems to have assumed the role of primary theoretician for the little group.

Ms. Munnell's name has recently surfaced on two short lists for major economic appointments: an open seat on the Federal Reserve Board and the chairmanship of the President's Council of Economic Advisers (CEA). Presidents deserve to receive economic advice from whomever they choose, and Ms. Munnell's appointment to chair the CEA would draw no fire from here — despite major disagreements with her views on economics.

The Federal Reserve Board is another matter. Appointment to a 14-year term at the Fed would come at a time when the central bank is poised to achieve long-term price stability, a goal many in Congress seek to legislatively establish as the Fed's principal responsibility. It has been a long, difficult road, which began with the serious recession the Fed imposed in 1981-82 to douse the inflationary fires of the Jimmy Carter era, when his handpicked chairman, G. William Miller, pursued accommodating monetary policies that produced stagflation.

Ms. Munnell would bring with her all sorts of baggage that runs contrary to price stability and that would thwart the Fed's role as banking regulator. At the Boston Fed, she gained fame for a controversial study purporting to prove racial discrimination in mortgage lending. Compared to an 11 percent rejection rate for whites, bankers rejected 17 percent of minorities — the differential being ascribed to racism. Led by the Wall Street Journal, the media trumpeted the findings. Forbes magazine, however, learned from Ms. Munnell that the default rates in the study's minority and white census tracts were identical, suggesting that mortgage lenders "somehow weeded out the extra risks among minorities, down to the point where white and minority defaults were at an equal, apparently acceptable rate." Asked for evidence of discrimination, given the equal default rates, Ms. Munnell told Forbes, "I do not have evidence. . . . No one has evidence." Evaluating the Munnell study by considering additional factors, such as the availability of cash for closing costs, Federal Deposit Insurance Corp. economist David Horne found no discrimination at all and concluded her study was fatally flawed.

Not surprising, the Clinton administration's solution to the nonexistent problem includes "voluntary" dollar targets for minority-area lending and statistical tools to measure compliance. Assistant Attorney General Patrick has begun obtaining lenders' signatures on consent decrees — "voluntary," of course — that will increase default rates and increase the costs of mortgages for qualified borrowers. Having borrowed $150 billion to clean up the failed savings and loans from the 1980s, the federal government is now sewing the seeds for a future debacle.

Even more ominous are Ms. Munnell's ideas about pensions. As a reputed expert on Social Security, she certainly knows that her administration is planning to "borrow" — and spend — nearly a half-trillion in Social Security trust-fund surpluses during the next five years. Yet she has also recommended that the government tax — and, therefore, reduce — private pension contributions by 15 percent a year, transferring $50 billion per year from future retirees' income to finance current government social programs euphemistically called "Economically Targeted Investments." She would also impose a "one-time" 15 percent tax on the $3 trillion in accumulated workers' pensions, diverting another $450 billion of pension funds to political purposes.

Should Mr. Clinton nominate Ms. Munnell to the Fed, senators need to ask themselves these questions: Recalling the catastrophic consequences of Jimmy Carter's and Richard Nixon's efforts to politicize monetary policy, do they really want to endow the Fed's awesome power one year before a presidential election upon someone who so brazenly politicizes the banking industry? What kind of commitment to long-term price stability can be expected from someone whose political agenda includes raiding workers' pensions, while simultaneously looting their Social Security benefits from the trust fund, in order to finance "Economically Targeted Investments"? The job opening is Federal Reserve Board governor — not social-engineer-in-chief.

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BATTERYMARCH
FINANCIAL MANAGEMENT, INC.

Dean LeBaron

April 28, 1995

The Honorable Robert E. Rubin
Room 3330
1500 Pennsylvania Avenue, NW
Washington, DC 20220.

Dear Bob:

I understand you are considering the possible appointment of Alicia Munnell to a governorship on the Federal Reserve Board. I have known Alicia professionally at the Boston Fed as far back as when you and I served on an SEC advisory panel together, and earlier. She was a resource, then, on policy issues. Besides, our offices were in the same building. Personally, our children attended the same public schools in Weston, Massachusetts.

But you know her policy, administrative and legislative skills. You have been working with her for over the past two years, more intensively in the last half year. First, she likes government policy issues and puzzles, and can grapple with complex issues. Second, she writes and speaks clearly and authoritatively. Third, she stimulates others around her to do better work than they otherwise might. And, finally, I suspect she is loyal, and maybe this is the most important feature. She has always been supportive of her colleagues, an increasingly rare characteristic in these days of mounting individualism.

I can only imagine any negatives. She used to be identified with controversial problems like social security and pension policy. I cannot comment on the political sensitivity of social security; I suspect it is sacrosanct for a while. With regard to pension policy, it surely deserves attention, but I rather doubt the Fed will do it. Rather, the issue they are likely to study is how to coordinate US monetary policy in a global world; just the type of complicated issue Alicia can handle.

As the anecdote goes about Paul Cabot's query to President Kennedy at the first Overseers' Meeting (you know the venue) after the Inauguration: "How's the new job going?"

Sincerely yours,

Dean LeB

Chairman

DL:md

One Financial Center, Boston, Massachusetts 02111 Telephone 617 [illegible]

95-145579

Standish, Ayer & Wood, Inc.

Investment Counsel

VIA FAX

April 28, 1995

Mr. Robert Rubin
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington D.C. 20220

Dear Bob:

Our paths have not crossed since our Harvard Management days, but I am obviously delighted with your new role and efforts. As an aside, I also continue to be pleased with the progress at Harvard Management.

I was encouraged to read in the press today that Alicia Munnell is a candidate for John LeWare's seat on the Federal Reserve Board of Governors. I have known Alicia for over a decade and have recently completed a six-year term as a director of the Federal Reserve Bank of Boston, which gave me ample opportunity to observe her efforts. I also chaired for six years the Research Committee of the Boston Fed. I unhesitatingly recommend Alicia for this new role. She has had a broad experience not only in monetary policy and economic forecasting, but also, by virtue of her Treasury experience, in governmental policy making. I have been very much impressed at how complex a mechanism the Federal Reserve is, and having somebody quite familiar with the institution would be of material benefit. I think her knowledge and stature would be assuring to the markets.

If I can provide any additional information, please do not hesitate to give me a call at (617) 457-5052.

Sincerely,

Ted Ladd

EHL/mxb

95-145602

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MORGAN STANLEY GROUP INC.
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NEW YORK, NEW YORK 10020

RICHARD B. FISHER
CHAIRMAN

April 28, 1995

Mr. Robert E. Rubin
Secretary of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Bob:

I read in this morning's newspapers that Alicia Munnell is being considered for the Federal Reserve Board of Governors. Since I have known Alicia for many years, I thought you might be interested in the views of at least one market participant on the question of her qualifications. To put it briefly, she would be a very strong appointment in my opinion. Alicia has a superb background and grounding in economics and analysis and would certainly meet the high standards you would have in mind on this issue. In addition, however, she is both a good listener and a formidable advocate once she makes up her mind.

I respect her a great deal and would consider her appointment to the Board as a positive development. If more information would be helpful please call me or have someone in your office get in touch with me.

Best,

Dick

Richard B. Fisher

THE BROOKINGS INSTITUTION

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Economic Studies Program

April 28, 1995

The Honorable Robert E. Rubin
Secretary of the Treasury
Room 3330
Department of the Treasury
Washington, D.C. 20220

Dear Bob ~~Mr. Rubin~~:

The newspapers are reporting that Alicia Munnell is a candidate for the open seat on the Board of Governors of the Federal Reserve. I am writing to convey my sense that she is a superb candidate and deserves the nomination. (She would be an outstanding chair of the Council of Economic Advisers, as well.)

I have known Ms. Munnell for close to thirty years. We have worked together professionally on several occasions; in every case, she delivers everything that is expected and more. She is a first rate economist but unlike many very good economists, she has sound judgment as well. She has important managerial experience and a vigorous intellect. Most important, she is a person of irreproachable integrity.

I was aghast at the mean-spirited and unfair attacks made upon her at the time she was being considered for appointment to her current position and am appalled now at the attacks being orchestrated to try to stop her appointment to the Federal Reserve. The reasons for this distress are, first, that the accusations are unfair and simplistic, and, second, that one of the accusations is based on misrepresentation of a piece of work--the Boston Fed study of discrimination--that is an outstanding achievement of which anyone should be proud. That study justified a careful examination of mortgage lending practices and triggered procedural safeguards. The statistical evidence on discrimination is, indeed, complicated and allows for differing interpretations, but it easily rises to what lawyers would call a *prima facie* case and fully justifies the procedural steps that have been taken.

The Clinton administration has made splendid appointments to the Board of Governors in Alan Blinder and Janet Yellen. The appointment of Alicia Munnell would add another member of similar capacity and temperament. I pray that the Administration will consider her appointment favorably and not be dissuaded by attacks from quarters that can be counted on to oppose virtually anything the Clinton Administration does.

Sincerely yours,

Hank

Henry J. Aaron
Director

LEGAL SERVICES CORPORATION: SUMMARY OF RESTRICTED ACTIVITIES

CURRENTLY RESTRICTED ACTIVITIES

ACTIVITY	SOURCE OF RESTRICTION	LSC FUNDS	NON-LSC **PRIVATE** FUNDS	NON-LSC **PUBLIC** FUNDS	ACTIVITY CONDUCTED IN PRACTICE?
Class Actions	Appropriation Rider	Prohibited unless pre-approved by program director, all class members are eligible clients, and efforts to resolve dispute without litigation have proven unsuccessful	Not Prohibited	Not Prohibited unless by granting source	Yes
Grassroots Lobbying	1974 Act and Appropriation Rider	Prohibited	Prohibited	"	Yes
Administrative Advocacy	1974 Act and Appropriation Riders	Prohibited unless directly on behalf of eligible client	Prohibited	"	Yes
Alien Representation	Appropriation Riders Only	Prohibited unless alien is a lawful permanent resident, a relative of US citizen, or a political refugee	Not Prohibited	"	Yes
Lay Advocacy Training	1974 Act and Riders	Prohibited	Prohibited	"	Yes
Abortion Advocacy	1974 Act and Rider	Prohibited	Prohibited	"	No
School Desegregation	1974 Act	Prohibited	Prohibited	"	No
Criminal Matters	1974 Act	Prohibited	Prohibited	"	No
Redistricting	LSC Regulations	Prohibited	Prohibited	"	No

PROPOSED RESTRICTIONS

ACTIVITY	ADMINISTRATION POSITION
Public Housing Drug Evictions – Accused and/or Convicted	not families
Class Actions against Government Entities	
All Administrative Advocacy	not prec. indiv'l
Representation of Migrant Workers	legals
Welfare Litigation	✓ not class action
Redistricting Suits	✓
Extending All Prohibitions to Non-LSC Funds, Public and Private	timekeeping

file Sculpture garden

FOR IMMEDIATE RELEASE
March 1996

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Twentieth Century American Sculpture at The White House
Northeast installment on view April 15-September 26, 1996
organized by Director Marcia Tucker

To celebrate American art, the First Ladies' Garden has become the setting for an impressive national sculpture exhibition, Twentieth Century American Sculpture at The White House. The New Museum of Contemporary Art's Director Marcia Tucker has been invited to organize the last installment focusing on sculpture from museum collections in the Northeast, on view April 15th through September 26th, 1996.

Conceived by Hillary Rodham Clinton and developed by J. Carter Brown and the Association of Art Museum Directors, the four-part exhibition series was launched in fall 1994. "The President and I hope this exhibition of 20th century American sculpture will delight, challenge and inspire the thousands of visitors who pass through the White House every day," said Mrs. Clinton. Each work will be situated in the Garden adjacent to the main entrance of the White House, with two additional pieces flanking the entryway indoors.

Tucker has selected twelve works made in the last twenty-five years by internationally recognized and emerging artists: Chakaia Booker, Melvin Edwards, Joel Fisher, Nancy Graves, Maren Hassinger, Donald Lipski, Robert Lobe, Allan McCollum, Tom Otterness, Mia Westerlund Roosen, Lucas Samaras, and Ed Shay. Landscape, myth, body and spirit are both the source material and subject matter of their work.

A catalogue with an introduction by Hillary Rodham Clinton, an essay by Tucker, and photographs of each sculpture will be available. The other three museum directors invited to organize exhibitions of works from their geographical region were: George Neubert of the Sheldon Memorial Art Gallery and Sculpture Garden in Omaha; Townsend Wolfe of the Arkansas Arts Center in Little Rock; and Peter Marzio of the Houston Museum of Fine Arts.

The New Museum of Contemporary Art is located at 583 Broadway between Houston and Prince Streets in SoHo. Hours are Wednesday, Thursday, Friday, and Sunday: Noon to 6:00 p.m.; Saturday: Noon to 8:00 p.m., 6:00-8:00 p.m. free; Monday and Tuesday, closed. Admission is $4 general; $3 artists, students, seniors; members and children under 12, free. For recorded information, please call 212-219-1355.

Twentieth Century American Sculpture
at the White House
Exhibition V [3 copies]

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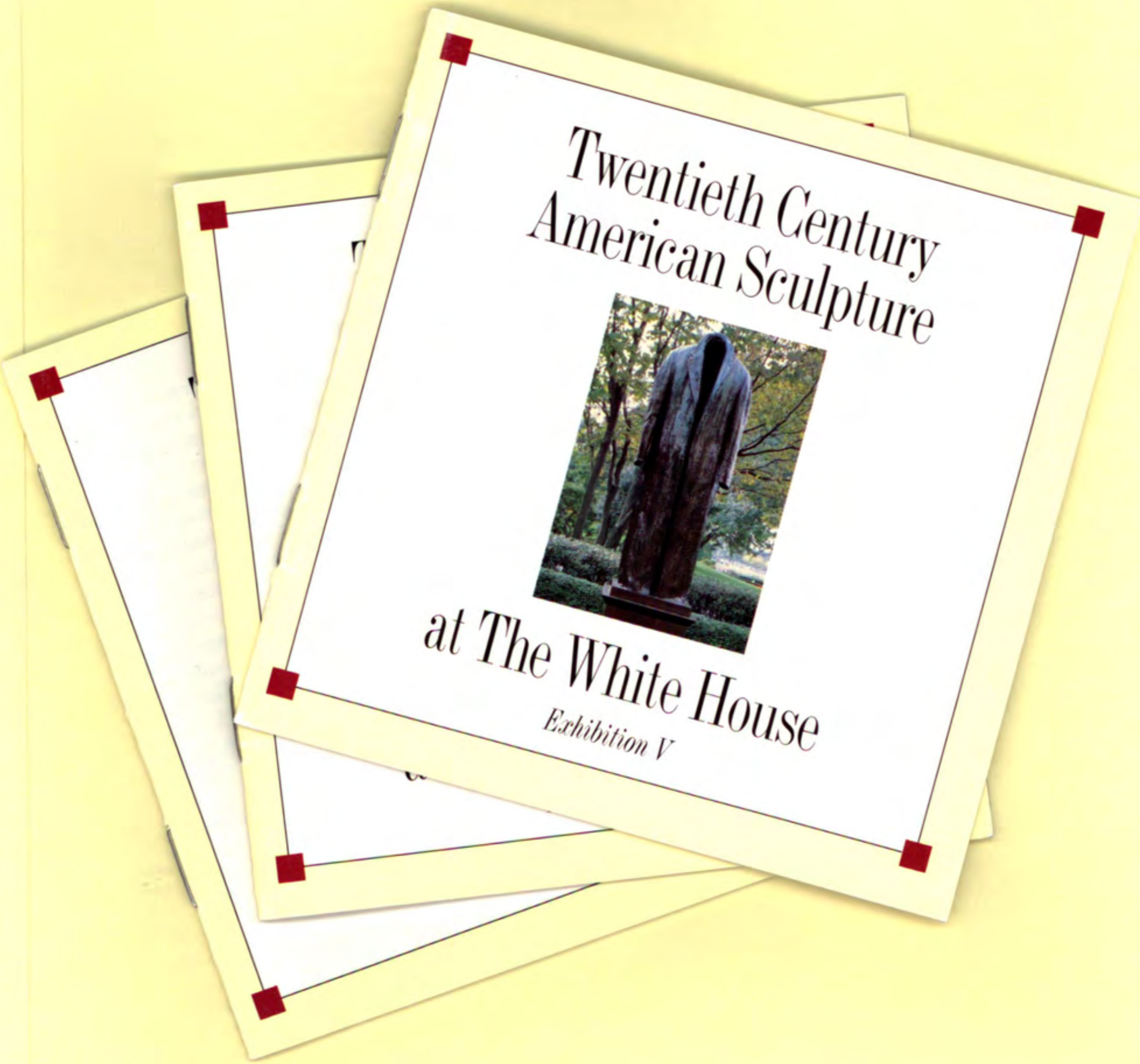
Twentieth Century
American Sculpture
at The White House
Exhibition V

Twentieth Century American Sculpture
at the White House
Exhibition III [2 copies]

Twentieth Century American Sculpture at The White House

Exhibition III