Senate — health

'F-Word' Threatens Clinton Capitol Hill Agenda, Though Wind Has Gone Out of Most Filibusters

By JACKIE CALMES
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – Sen. Phil Gramm is no Jimmy Stewart, and don't expect "Mr. Smith Goes to Washington" if the Texas Republican or anyone else filibusters the health-care bill.

The drama has all but gone from the Senate filibuster in recent years. Gone are the exhausting, round-the-clock speeches, along with the urine bags discreetly reserved for filibustering senators' trousers. Yet the filibuster is hardly extinct. In fact, in recent years the once-rare obstructionist tactic has increased in number and become more partisan. But instead of endless debate, today's filibusters – or the threat of them – are more likely to involve behind-the-scenes maneuverings to stall or kill legislation.

"What they do now, they don't even have to talk," says 91-year-old Sen. Strom Thurmond, a South Carolina Republican. By contrast, in 1957, Sen. Thurmond, then a Democrat, sweated in a sauna for a week, to stave off restroom trips, before he filibustered a civil-rights bill; he failed to stop the bill, but set a record for the longest filibuster by a single senator: 24 hours, 18 minutes.

Though the wind may have gone out of most filibusters, the tactic is one of the biggest dangers to President Clinton's agenda. Just yesterday, Senate Majority Leader George Mitchell threatened to keep the Senate in round-the-clock sessions on health-care legislation unless Republicans agree to start permitting votes on amendments. Even if Democrats marshal a 51-vote majority for their version of his top-priority health initiative – a big if, to be sure – few believe Mr. Clinton could rally the 60 votes needed under Senate rules to break a filibuster.

The mere threat of filibusters also has potentially doomed Mr. Clinton's crime bill and jeopardizes his campaign-finance reforms. If the president tries to revive the crime bill that was narrowly derailed in the House last week, Republicans hint at a filibuster unless an assault-weapons ban or other items are dropped.

'Principal Cause of Gridlock'

Sen. Mitchell has groused that GOP filibusters are a weekly event, and House Democrats recently issued a report condemning them as "the principal cause of gridlock in Washington." Republicans make no apologies. "I'm an advocate of gridlock if what you mean by gridlock is you're killing bad legislation," says Mississippi GOP Sen. Trent Lott.

But Republicans also are wary of being tagged obstructionists. This dilemma explains why most Republicans quickly distanced themselves from Sen. Gramm's recent hints about filibustering the health bill. Senate GOP Leader Robert Dole yesterday insisted that "we're not in a filibuster." Privately some have taken to calling it "the f-word."

Democrats conducted quite a few party-line filibusters under Presidents Reagan and Bush, and at least a few Democrats often join the current GOP efforts. But since Democrats today control both Congress and the White House, it follows that most filibusters are Republican.

The tactic's potency for the minority is all in the numbers. Senate rules require 60 votes in the 100-member Senate to break a filibuster, meaning 41 can keep it going. There are 44 Republicans.

Can We Talk?
Selected Senate Filibusters.

Longest Individual Filibusters

SENATOR	YEAR/ISSUE	DURATION
Strom Thurmond, S.C	1957/ Civil Rights	24 hrs., 18 mins.
Wayne Morse, Ore.	1953/ Tidelands Oil	22 hrs., 26 mins.
Robert LaFollette Sr., Wis.	1950/ Currency	18 hrs., 23 mins

Notable Senate Filibusters

ISSUE	YEAR	DURATION
Civil-Rights bill	1964	83 days
Antilynching law	1937–38	43 days
Civil-Rights bill	1960	40 days

Need for 'Supermajority'

The consequence is profound. In effect, issues of any controversy need support from a "supermajority" of 60 rather than a simple majority of 51. "A few senators, sometimes representing a tiny minority of the American people, may prevent the Senate from ever casting a vote on major national issues," former Sens. Thomas Eagleton, a Democrat, and Charles Mathias, a Republican, wrote this year in a letter soliciting support for reforms.

More than twice as many filibusters occurred just in the past Congress, during 1991 and 1992, than in the entire 19th century, when there were 16, according to the nonpartisan Congressional Research Service. The casualties in the last Congress included bills on crime, civil rights, labor, energy, parental job leaves, cable television and voter registration.

Yet for all that, the filibuster is unrecognizable to a public schooled either in Hollywood's version, in which an impassioned Mr. Smith ultimately faints from exhaustion as he filibusters to protest being duped on a land issue, or in the real-life showdowns of the civil-rights era. And that's what makes it possible for Republican filibusterers to plausibly deny what they're doing.

To accommodate busy senators and a crowded Senate schedule, the practice has evolved through consensus so that a filibusterer often doesn't need to be on the Senate floor to block a vote. Instead, the place remains largely empty while feuding senators dicker privately to settle the impasse, or the Senate publicly acts on unrelated, noncontroversial matters while it waits in what has come to be called "double-tracking." Frequently, a bill faced with a filibuster threat doesn't come up at all, so great are the time constraints.

If the public is largely ignorant about the modern filibuster, so are some experts. When ABC News's Peter Jennings noted on election night in 1992 that Senate Democrats had failed to increase their majority to a "filibuster-proof" 60 votes, veteran broadcaster David Brinkley scoffed. That would be "a very small benefit," he replied. A filibuster "doesn't happen that much." In fact, several major bills had recently fallen to actual or threatened filibusters in Congress's final weeks.

Term From Piracy

While the Senate's right of unlimited debate is what separates it from the larger House, which restricts debate, it was more than 50 years before a senator used that right to try to kill a measure. The word "filibuster," a pejorative term drawn from piracy, came even later. For more than a century, the tactic was used sparingly, and mostly for major issues: slavery, civil war and civil rights.

Filibusterers had to be present and speak nonstop, producing tales of endurance and mischief that fill Senate lore. In 1908, Sen. Robert LaFollette tossed aside his eggnog one night; it was poison. In 1957, Sen. Thurmond received something more benign from a colleague, a bottle of orange juice. "He thought if I drank that, I'd have to stop my filibuster," the senator recalls. "But my body just absorbed it like a sponge." Lucky for Sen. Estes Kefauver of Tennessee in 1950, a rival senator didn't object when he left the floor briefly late at night to adjust the bag hidden in his pants.

In the famous filibuster of a 1960 civil-rights bill, 18 Southerners talked in relays of two-man teams when then-Majority Leader Lyndon Johnson kept the Senate in session nonstop to try to foil them; he gave up after nine days.

That sort of classic filibuster became all but extinct in the 1970s. Majority leaders had mixed success in breaking filibusterers by such force, and the marathons taxed all senators. At the same time, the increasing partisanship has made filibusters more common.

"Anymore, almost anything the leader wants to bring up, there's an objection from the other side," says West Virginia Sen. Robert Byrd, a former Democratic majority leader. Yet as the guardian of Senate tradition, he has only reluctantly come to support a modest reform proposal by Sen. Mitchell. It would limit debate to two hours on a leader's motion to take up a bill, still allowing a minority to filibuster the measure itself. Sen. Byrd will oppose anything more: "We must be on guard lest actions taken in the name of reform destroy freedom of speech, unlimited speech, in the Senate."

Republicans won't support even that limitation, though former Vice President Quayle proposed it when he was a senator. Meanwhile, next year the tactic will likely be more important yet. In November, Democrats are expected to lose several of their 56 seats, putting them even further from the votes needed to end filibusters.

ECONOMY

U.S. Mulls Plan for Alaskan Refuge That Could End Hopes for Oil Drilling

By TIMOTHY NOAH
And CHARLES MCCOY
Staff Reporters of THE WALL STREET JOURNAL

The Clinton administration is considering a plan to merge the Alaska National Wildlife Refuge with contiguous park land across the Canadian border, a move that could dash oil-industry hopes of opening the area to drilling.

Under the proposal, outlined in an Aug. 2 Interior Department memo, the 20-million acre Alaskan refuge would be "twinned" with the Vunntut and Ivvavik Canadian National Parks in order to protect Arctic wildlife, including a herd of caribou that migrates between the U.S. and Canada. Details of the "coordinated management" plan have yet to be worked out. The memo proposes a variety of options ranging from cooperative research on certain wildlife species, which wouldn't necessarily rule out drilling, to "joint designation of all or parts of the contiguous conservation units under international auspices," which likely would preclude drilling.

The plan, which probably would require congressional approval, has been the subject of several discussions between the Interior Department and the White House's office on environmental policy. According to the Interior Department memo—written by Brooks Yeager, director of the department's office of policy analysis to Bob Davison, Fish and Wildlife deputy assistant secretary — the idea was promoted by Canadian Deputy Prime Minister Sheila Copps at a July 27 meeting with Interior Secretary Bruce Babbitt.

Even at this early stage, the plan has stirred fierce opposition from Alaska Gov. Walter Hickel, who learned of the proposal only yesterday. "It's unthinkable, it's unbelievable," he said. "It would lock up ANWR forever . . . If they proceed with this, we will see them in the highest court."

Thomas Koch, a spokesman for **British Petroleum** Co. PLC., which has a large stake in Alaskan oil, said the company "would prefer to see the U.S. keep open the opportunity to take future decisions on energy security." He said that linking management of the refuge with Canada or other international partners will limit the ability of the U.S. to "act on behalf of its own interests."

The oil industry has lobbied vigorously over the years to gain access to the refuge because it is believed to contain the largest untapped oil field in the U.S. Many geologists contend the reserves could be on par with Alaska's Prudhoe Bay, the biggest U.S. field. Various government and industry estimates put ANWR's crude reserves at more than 10 billion barrels.

But the estimates are speculative. Only one well has been drilled in the refuge, by **Chevron** Corp. and British Petroleum. They have kept the results a tight hole, industry parlance for not disclosing any information on what the well did, or didn't, find.

The last time Congress appeared to seriously consider opening the refuge to oil companies was in early 1989. But the Exxon Valdez oil spill in March of that year created enough environmental furor to put any opening on ice.

Environmentalists hailed the proposal as a potential model of the kind of global ecosystem management that has become almost a buzzword in the conservation movement — and of which Interior Secretary Babbitt is a strong backer. Kevin Harun, head of the Alaska Environmental Center, called it "potentially one of the greatest achievements in the history of international environmentalism."

The Clinton administration, in one of its few clear departures from the Bush administration's environmental policies, has repeatedly said it won't allow drilling in the Alaskan refuge. But environmentalists lately have worried that if Congress ends the current export ban on Alaska North Slope oil — a move the president is said to favor — pressure will increase to drill inside the refuge. The twinning concept appears aimed partly at mollifying environmentalists opposed to lifting the export ban; according to the Interior Department memo, Kathleen McGinty, director of the White House office on environmental policy, asked the department to "flesh out" the twinning idea "in the context of administration decision-making on Alaska oil exports."

Melanie Griffin, the Sierra Club's Washington director for land protection, said yesterday that exporting Alaska North Slope oil was "not a good idea," even as a tradeoff for twinning. "We'd have to look at it," she said, "but I doubt that they would be proposing protection for enough areas."

—Caleb Solomon contributed to this article.

Bonds Ease; Stocks Mixed; Dollar Is Flat

MONDAY'S MARKETS

By DAVE KANSAS
Staff Reporter of THE WALL STREET JOURNAL

NEW YORK — Stocks were mixed and bond prices marginally lower in spiritless trading ahead of today's Federal Reserve meeting that could result in a further rise in interest rates. The dollar was flat.

The Dow Jones Industrial Average fell 8.42 to 3760.29, ending a two-session winning streak. The Standard & Poor's 500-stock index eased 0.71 to 461.23, but the Nasdaq Composite Index added 1.28 to 732.89. Advancing issues topped decliners on the Big Board.

Bonds edged generally lower. "Everyone's waiting to see what the Fed will do," said Gail Dudack, market strategist for S.G. Warburg. "Nobody wants to make a big bet before a probable news item breaks."

The news probably will come from the Fed's Federal Open Market Committee, meeting today to discuss, among other topics, interest-rate policy. The Fed sent the stock market into a funk when it initiated the current round of tightening Feb. 4.

Analysts expect the Fed to raise the federal-funds rate, the overnight lending rate between banks, to 4.50% or 4.75% from its current 4.25%.

Some economists also say the Fed may raise the discount rate, which currently is at 3.5%. The discount rate, charged to banks that borrow from the Fed's discount window, is mostly symbolic. Analysts, however, believe such a move would underline the seriousness of the Fed's efforts to nip nascent inflation in the bud.

World-wide, stock prices fell in dollar terms. The Dow Jones World Stock Index lost 0.04 to 117.53.

In major market action:

Stock prices were mixed. Volume totaled 223.2 million shares on the New York Stock Exchange, where 1,064 issues rose and 1,040 fell.

Bond prices dropped. The Treasury's benchmark 30-year issue lost less than 1/8 point, or less than $1.25 for each $1,000 face amount, to yield 7.51%.

The dollar was flat. In late New York trading the currency was quoted at 1.5520 marks and 100.09 yen compared with 1.5515 marks and 100.15 yen Friday.

TAPEWATCH

- **American Home Products** (AHP) stepped up the pressure on American Cyanamid (ACY) with a sweetened $100-a-share, $9.7 billion takeover bid that expires today. American Home Products traded at $59 a share, up 75 cents. American Cyanamid was at $90.875 a share, down $1.875.

- **July housing starts**, to be released at 8:30 a.m. EDT, are estimated at a 1.38 million annual rate, compared with the previous month's 1.35 million rate.

For more information and related news call 1-900-JOURNAL, news category 1-600. Calls cost 95 cents per minute.

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Senate
– health

WASHINGTON AND THE WORLD

A health-care balancing act

'Weakened' bill may lose votes

By Judi Hasson
and Jessica Lee
USA TODAY

Eight senators from the liberal wing of the Democratic party sent Majority Leader George Mitchell a message Monday: If he waters down his health-reform proposal to gain votes, he could lose theirs.

As Mitchell maneuvered to end Republican speech-making and start voting on amendments — threatening round-the-clock sessions until voting begins — he also heard complaints from fellow Democrats.

The senators met with the Maine Democrat to make sure he doesn't "give away the ballgame" of universal coverage in his search for compromises to pass health reform, Sen. Howard Metzenbaum, D-Ohio, said later at a news briefing.

Although the group didn't threaten — at least not publicly — to bolt, their message was clear as Mitchell searches for the 51 votes needed to pass a health-reform bill, now being debated for a second week.

"If this is weakened, he could lose some votes," said Sen. Paul Simon, D-Ill., who met with Mitchell along with Metzenbaum and Sens. Russell Feingold of Wisconsin, Paul Wellstone of Minnesota, Carl Levin of Michigan and Tom Harkin of Iowa. Metzenbaum said Carol Moseley-Braun of Illinois and Patty Murray of Washington are part of the group but didn't attend.

Feingold raised the ante.

"My vote cannot be counted on unless there are strengthening amendments," he said.

The group wants a bill that would achieve universal coverage more quickly than Mitchell's proposal.

To get enough senators to vote for his bill, Mitchell is struggling to strike a balance: Shoot for the universal coverage liberals insist on but soften the controversial mandatory employer premiums some believe are needed to pay for it.

His bill pledges to insure 95% of Americans, up from 85% now, with employers paying half their workers' premiums only if 95% isn't reached by 2000. Firms with fewer than 25 workers would be exempt.

President Clinton has said he'll veto anything less.

Harkin said Mitchell promised he'd touch base with the group before making changes.

Today, Mitchell is to meet with a bipartisan group led by Sen. John Chafee, R-R.I., who is drafting a series of amendments to Mitchell's proposal.

Chafee's proposal expands coverage by providing subsidies, financed by a tobacco tax increase, and setting new regulations that make insurance easier to get and harder to cancel. It does not require employers to pay any of their workers' insurance premiums.

Some Republicans say the only proposal that can get the support of both parties is one mirroring a House bipartisan bill that makes it easier for people to get insurance by lowering the rates and banning pre-existing conditions as a reason for denying coverage.

The House measure has won the backing of two Senate heavyweights. Sens. Pete Domenici, R-N.M., and Sam Nunn, D-Ga., will introduce a Senate companion bill later this week.

The Nunn-Domenici compromise could steal thunder from Senate Republican leader Robert Dole, R-Kan., sponsor of a minimalist plan of insurance reforms, but Domenici says he has Dole's go-ahead.

Monday, Mitchell expressed frustration over Republican efforts to keep talking.

He put Republicans on notice that unless they stop endless talking and votes could be taken by late today, he'd keep the Senate in session 24 hours a day until the talking ends.

Sen. Bob Packwood, R-Ore., told Mitchell: "We will finish our opening statements in a day or day and a half."

Sen. Tom Daschle, D-S.D., also called for an end to the speech-making:

"The last time we went to war, it didn't take this long."

Meanwhile, the House, focusing on a crime bill, has delayed consideration of any health-reform bill.

▶ Clinton's twin goals, 1A
▶ Editorial, 10A

By John Duricka, AP

URGING 'NO MORE CONCESSIONS' TO GOP: Democratic senators, from left, Paul Simon of Illinois, Paul Wellstone of Minnesota, and Howard Metzenbaum of Ohio at news conference Monday.

Return of 'Harry and Louise'

By Judi Hasson
USA TODAY

That concerned couple "Harry and Louise" return to TV tonight, this time with their real-life boss Bill Gradison, president of the Health Insurance Association of America.

The insurers are taking a page from President Clinton, who was on the air for a week with nightly 2-minute ads on CNN.

Harry and Louise, along with Gradison, a folksy former GOP congressman from Ohio, will be on the air for 2 minutes the next three nights. Cost: $180,000.

Reform "ought to be done this year, but it's got to be done right, and that's why we've chosen ... this new format," said the association's Charles Kahn.

The ads argue against purchasing cooperatives, spending limits and expanding Medicare.

Gradison is seen watching a Harry and Louise ad, then turns to the audience to talk about his industry's concerns. Then the couple quizzes him.

Harry and Louise have been on TV periodically since September. Insurers have spent $14 million on broadcast and print ads.

The Health Care Reform Project, a pro-Clinton group, is running $150,000 in local ads in Washington.

The theme: "How much does it cost to kill health-care reform in Congress? $20 million? $40 million? Nope. Try $85 million. Wheelbarrows of cash — all over Washington."

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Cuban flight to USA is picking up steam

By Lee Michael Katz
USA TODAY

A flotilla of Cubans fled last weekend bringing 371 refugees to the USA — the largest number since the 1980 Mariel exodus.

Another 109 Cubans were picked up Monday, Coast Guard Petty Officer Alex Worden said.

About 700 Cubans have occupied a tanker at Cuba's Mariel port and are waiting to come to the USA, Cuban radio reported Monday. The Cuban government has prevented the tanker from leaving. Cuban dictator Fidel Castro visited the tanker but made no public statement.

Canadian Press
CASTRO: Threatens Cuban exodus

He has threatened to unleash another wave of refugees similar to the Mariel exodus, when 125,000 Cubans, many of them mental patients and convicted felons, came to the USA within five months.

Clinton administration officials seemed unruffled by the latest influx.

"We will not tolerate another Mariel-type incident, and we will not allow Castro to dictate immigration policies," said the State Department's Mike McCurry.

A 17-ship U.S. naval force in the Caribbean could enforce a blockade off the Florida Straits. But U.S. officials say the focus is not on intercepting refugees.

Instead, Attorney General Janet Reno said last week she is "making it very clear" the administration would prevent Cuban-Americans from sailing from Florida to rescue friends and relatives.

Officials noted that 100,000 of the Mariel refugees were picked up by Florida boaters. Such ships are now subject to seizure.

The number of Cuban refugees making it to U.S. shores this year — 5,768 — is already 1,800 more than last year's total. U.S. law gives Cubans special immigration status, speeding applications for permanent U.S. residency.

WASHINGTON

Independence day for Social Security

AP
MOYNIHAN: His 11-year effort pays off

The Social Security Administration became an independent agency Monday when President Clinton signed a law separating the 59-year-old, $325 billion program from the Health and Human Services Department. Clinton used the pen Franklin Roosevelt used to create the agency that now provides for 40 million elderly and disabled people.

With 64,000 employees and 1,300 field offices, the newly autonomous agency will be one of the largest in the federal government.

Clinton credited Sen. Daniel Patrick Moynihan, D-N.Y., Senate Finance Committee chairman, for championing the independence push for 11 years. The idea behind the change was to insulate Social Security from political pressures and clear away bureaucracy.

WHITEWATER 'NO COMMENT': Resolution Trust Corp. investigator L. Jean Lewis, who launched the criminal probe of President Clinton's Whitewater land deal, was put on paid administrative leave for 14 days, with two superiors. "They have been placed on leave, and I have no further comment," said Jane Jankowski, RTC spokeswoman in Kansas City, where Lewis works. Lewis wrote the nine criminal referrals at the heart of the Whitewater affair.

PILLOW TALK: While most lobbyists will do almost anything to capture lawmakers' attention, Public Citizen, a consumer advocacy group founded by Ralph Nadar, is distributing pillows, urging Congress to go to sleep. The pillows call for Congress to postpone consideration of the 123-nation accord negotiated under the General Agreement on Tariffs and Trade: "Sleep on this decision now, and avoid insomnia later," the pillows read. The group fears the accord would relax environmental and safety regulations.

Written by Erin Einhorn

ELSEWHERE IN THE WORLD

'Food security' alert: Grain shortage looms

World population will nearly double to 8.9 billion by the year 2030 while food production will gradually fall, eventually spurring grain shortages, said a report Monday from Worldwatch Institute, a Washington environmental group. "Food security, specifically food prices, will replace military security as the principal preoccupation of national governments in the years ahead," said co-author Hal Kane. Using Agriculture Department statistics, the world's grain harvest is estimated to be 2.1 billion tons in 2030. Using a U.S. consumption level of 1,765 pounds of raw grain per person annually, that will sustain 2.5 billion people.

HAITIANS RIOT: A weekend protest by rock-throwing Haitian refugees at Guantanamo Naval Base, Cuba, left 45 Haitians and 20 U.S. military guards injured, the Pentagon said Monday. Two of the guards remained hospitalized. About 750 of the 15,458 Haitian refugees at Guantanamo were involved in the protest. Among refugees' demands: an immediate U.S. invasion of Haiti.

NUCLEAR SMUGGLING: German officials accused Russia of not doing enough to stop the smuggling of dangerous nuclear materials after seizing 10.5 ounces of weapons-grade plutonium at the Munich airport. It was the third time since May that weapons-grade nuclear material, almost undoubtedly Russian in origin, had turned up in Germany. Russia disagreed: "We are sure the plutonium was not ours," said Georgy Kaurov, a spokesman for the Atomic Ministry. "Strange things are going on in Germany recently. Almost every day they find containers with plutonium or uranium or God knows what . . . It's really strange."

BROKEN ACCORD: Firing outside Sarajevo ended a Bosnian Serb-Muslim anti-sniping agreement signed Sunday. Serbs had stepped up sniping in the past month, amid international pressure to accept the latest peace plan to end Bosnia-Herzegovina's civil war. They refuse to endorse it because it requires ceding too much land. "The people and the army that are winning cannot lose everything they have fought for on the ground at the negotiating table," said Bosnian Serb deputy commander Milan Gvero.

Senate - health

SENATE'S VOTING ON HEALTH CARE NOW UNDER WAY

G.O.P. ABANDONS DELAY

Democrats See Breakthrough, Although Further Partisan Battles Seem Certain

THE NEW YORK TIMES, WEDNESDAY, AUGUST 17, 1994

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By ADAM CLYMER
Special to The New York Times

WASHINGTON, August 16 — The Senate cast its first vote on national health insurance legislation tonight as Republicans suspended their delaying tactics and the Senate majority leader shelved his threat of 24-hour-a-day sessions.

Democrats promptly claimed an important success. "It is a breakthrough," said Senator Edward M. Kennedy of Massachusetts. "I hope we can put away the cots and the discussion of who's holding the institution up." Senator Christopher J. Dodd of Connecticut, the author of the amendment on which the Senate voted, said: "I don't want to overstate the case here, but there is momentum. It's not what you would call a thundering momentum, but it is movement."

Still, the 55-to-42 vote approving the amendment, which would require private health insurance plans to offer coverage of care for infants, children and pregnant women by July 1, 1995, foretold partisan turmoil to come. It was almost a straight party-line vote, with only one Republican, Senator James M. Jeffords of Vermont, in favor and one Democrat, Senator Bob Kerrey of Nebraska, against.

Meanwhile, a bipartisan group of senators, numbering as many as 19 at times today, struggled to complete work on a proposal that would change the bill before the Senate to make it less bureaucratic, less tolerant of litigation and more cost-sensitive.

They hope to present their proposals on Wednesday to the author of the Senate bill, George J. Mitchell of Maine, the majority leader. His proposal would provide subsidies for the poor and change insurance laws in an effort to expand health insurance coverage from the current 85 percent of the nation to 95 percent by the year 2000. After that, it might then require some employers to pay half their workers' insurance premiums.

The efforts of the bipartisan group, the self-styled "mainstream coalition," are widely regarded as the best hope that the Senate has for passing a

Continued From Page A1

national health insurance bill. If Mr. Mitchell — or perhaps even Senator Bob Dole of Kansas, the minority leader — can accept the coalition's proposals as alterations to the Mitchell bill, then a solid majority can probably be assembled.

But in the short run, it is not at all clear when the next amendment will be voted on. Democrats agreed to let the Republicans offer the next one, and one of those Republicans, Don Nickles of Oklahoma, is drafting a proposal that would allow all existing insurance policies, whatever the scope of their benefits, to be preserved under any future system.

This flies in the face of the Mitchell bill. Like President Clinton's proposal and the plans of the bipartisan group, the Mitchell legislation foresees a standard benefits package for all health insurance policies, enabling customers to compare them on the basis of price alone.

That is a basic element of the theory of managed competition, which holds that the key to saving money on health care is to enhance competition and make insurance buyers more cost-conscious.

For that reason, the Nickles proposal is likely to lose the votes of many Republicans who believe in that competitive approach. And it may therefore reveal the size of the hard-core Republican opposition to the Mitchell bill.

That group of opponents may also be measured tactically. One of their leaders, Senator Phil Gramm of Texas, announced tonight, "I'm going to offer a hell of a lot of amendments."

"Either we are going to beat this bill," Mr. Gramm said, "or I'm going to continue offering amendments to knock the bad parts out of it. There are a lot of bad parts."

But Mr. Dole, while maintaining that "we're not going to be rushed," indicated some disdain of the Gramm approach. "I haven't been advised of that," he told reporters. "There are a lot of chiefs here."

G.O.P. Strategy Session

The Republicans agreed to tonight's vote after a meeting in Mr. Dole's office attended by Haley Barbour, chairman of the Republican National Committee.

Senator Alfonse M. D'Amato of New York said there had been no discussion in the meeting of how Republicans would be helped or hurt by blocking a vote and staying in session all night. He said that the political impact "didn't come up" and that the idea of staying all night was "not seriously considered."

Mr. Jeffords, the only Republican who supported the long-dead health care legislation offered by the President, said of his colleagues, "They don't want to end up being considered to have delayed or filibustered." He added, however, "I don't want in any way to lead you to believe it's all going to be hunky-dory."

The Republicans who spoke against the Dodd amendment argued that it would be a bureaucratic mistake to have the Secretary of Health and Human Services determine a schedule of services to be provided to infants, children and pregnant women. Senator John H. Chafee, Republican of Rhode Island, said, "These are decisions that should be made by doctors and plans and individuals, and not by the Secretary of H.H.S."

It's not thundering, Dodd says, but all the same, it's momentum.

Democrats did not answer that specific complaint but pointed out that the H.H.S. standards would be only temporary, in force until standards were set by a National Health Board that would be created by the Mitchell legislation.

Mr. Dodd argued that the move "merely builds on our present system of private insurance." And he said it was symbolically important to begin consideration of national health insurance legislation with a look to the future, by aiding pregnant women and children.

Off the floor, in Mr. Chafee's hideaway office down an obscure Capitol corridor, the "mainstream" group met three times today.

Word of some of its decisions dribbled out during the day. The group does not plan to embrace the Mitchell provision of expanding Medicare coverage to include prescription drugs, or at least it would not be so generous on that score as Mr. Mitchell would. But the group does apparently intend to retain his system of grants to states to provide community and home-based long-term care, another top priority of the elderly.

But more important than what it proposes, which will be clear only after the legislative language that the group is writing can be seen and studied, may be its attitude toward its own product.

Some members of the group talk of presenting it to Mr. Mitchell and Mr. Dole on a take-it-or-leave-it basis, while others seem more amenable to further negotiation. Neither leader is likely to accept everything the group wants, and if the proposal is presented as a demand, it is likely to fail.

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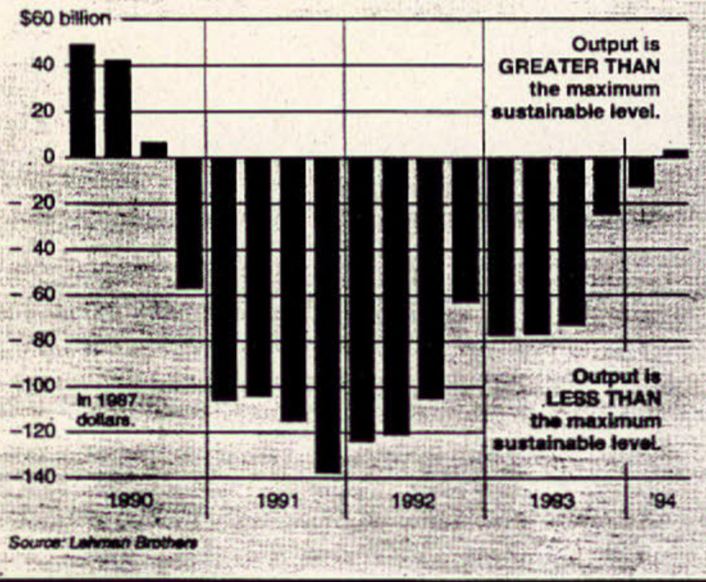
Why Now

Inflation can be in the offing when actual economic output exceeds the maximum sustainable level of output. By Lehman Brothers' estimates, that's what happened last quarter as factories added overtime and bid up the prices of scarce materials. Yesterday, the Federal Reserve raised the two interest rates it controls in an effort to stem growth and thus reduce the threat of inflation.



Source: Lehman Brothers

Rate Move Buoys Price Of Bonds

By ROBERT HURTADO

Prices of Treasury securities rose sharply yesterday, after the Federal Reserve announced its fifth interest rate increase of the year.

The price of the 30-year bond climbed 1 20/32, to 101 18/32, for a yield of 7.37 percent, down from 7.50 percent on Monday. The yield was the lowest in nearly two weeks. Before the Fed began raising interest rates, starting with an increase in the funds rate on Feb. 4, the yield was 6.35 percent.

The drop of 13 basis points in the yield on the 30-year bond nearly matched the drop of 18 basis points on May 17, when the Fed increased short-term rates by half a percentage point. A basis point is one-hundredth of a percentage point.

A technical analyst with Salomon Brothers, Alex Saitta, said that in the last 25 times the Fed had raised its target for the Federal funds rate, the 30-year bond had rallied 12 times and fallen 13.

The Fed announced the increase in the discount rate to 4 percent, from 3.50 percent, and the increase in its target for the Federal funds rate to 4.75 percent, from 4.25 percent, at an early afternoon news conference. The discount rate is the interest charged on loans to member banks. The Federal funds rate is the interest on overnight loans between banks.

Evidence of Expansion

The Fed said it had made the moves based upon a background of evidence of continuing strength in the economic expansion and high levels of resource utilization.

The increase in the discount rate and Federal funds target rate "are expected to be sufficient, at least for a time, to meet the objective of sustained, noninflationary growth," the Fed said in a release.

But some economists said the statement could be a signal that another rate increase was unlikely when the Fed's policy making Federal Open Market Committee meets again in September. The situation could change, they said, by the next meeting — after the Congressional elections — in November.

Donald Fine, chief market analyst for Chase Securities, said "that this move clearly demonstrates the Fed's determination to avoid inflationary pressures, and in fact was somewhat stronger than many had expected."

"The economy may be slowing somewhat," he added, "but the Fed thinks current economic growth still exceeds what it believes is the economy's noninflationary long-run growth path."

Mr. Fine said he thought the Fed believed that a growth rate of 2.5 percent was noninflationary, and until that rate was achieved, the Fed would lean toward further tightening. So, if the economy and capacity utilization continue to rise, there could be another move before the end of year.

Limiting Risk

Before the interest rate increase yesterday, many market participants had said that bonds would rally only if the Fed made a move of half a percentage point. Some analysts had said the Fed would only make a quarter-point move, not wanting to risk slowing the economy too much.

The analysts who had leaned toward a half-point increase said that anything less would be regarded as too small to contain the higher inflation that would result if the economy kept growing. The market, they said, may also have interpreted a smaller move to mean that the Fed was not being aggressive enough with inflation, which erodes fixed income investments.

Joseph V. Battipaglia, managing director of Sterling Advisors, said yesterday's move by the Fed was probably the most widely anticipated of the five rate increases this year. And, he said, if the Fed had not acted, it would have raised questions about what it was up to.

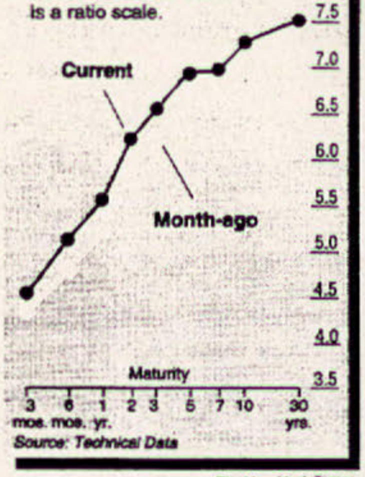
"Now, it leaves no doubt," he said. "We're getting the proper response in bonds, with the short end up and long end coming off."

Concern about how much the Fed planned to raise interest rates overshadowed the impact of a report yesterday that showed construction of new houses rose 4.7 percent in July, which was more than expected, to an annualized rate of 1.415 million. The consensus among many analysts was for an increase of 2.1 percent, and an annualized rate of 1.379 million.

Elliott Platt, chief economist at Donaldson, Lufkin & Jenrette, said that while housing starts for July were slightly stronger than expected, the increase had not tempered his belief that residential construction activity would no longer be a significant stimulative force for the economy.

Treasury Yield Curve

Yields of selected Treasury securities, in percent. Yields for short-term maturities are shown on a bond equivalent basis. Horizontal scale is a ratio scale.



Source: Technical Data

The New York Times

Key Rates

In percent

	Yesterday	Previous Day	Year Ago
PRIME RATE	7.75	7.25	6.00
DISCOUNT RATE	4.00	3.50	3.00
FEDERAL FUNDS*	4.56	4.50	3.10
3-MO. TREAS. BILLS	4.61	4.59	3.00
6-MO. TREAS. BILLS	4.94	4.99	3.11
10-YR. TREAS. NOTES	7.14	7.29	5.71
30-YR. TREAS. BONDS	7.37	7.50	6.31
TELEPHONE BONDS	8.23	8.37	7.08
MUNICIPAL BONDS**	6.37	6.42	5.64

*Estimated daily average, source Telerate
**Municipal Bond Index, The Bond Buyer
Salomon Brothers and Telerate for Treasury's bellwether bonds, notes and bills

the second-most-powerful man in the country and the most powerful when it comes to the economy, said that it would be better to raise rates too much than too little.

"If we fail to recognize emerging inflationary forces, remedying that will be far more difficult and far more of a problem for the long-term stability of the economy in 1995 and beyond," he said. Only a few Administration officials strongly disagree. Mr. Reich, who has strongly criticized the view that inflation is a risk, without actually criticizing the Federal Reserve by name, said in a recent interview that American workers produce more now in an hour than they did a year ago but their wages have not risen proportionately. So recent wage increases only begin to close that gap and do not threaten inflation, he said.

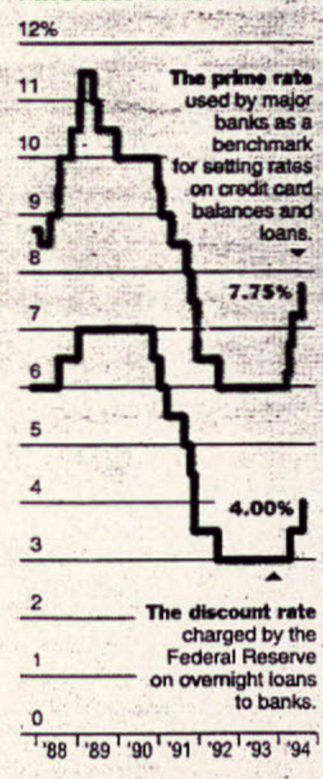
Varied Viewpoints

But elsewhere in the Administration, notably at the White House and the Treasury Department, there have been much stronger worries that the economy might overheat, feeding inflation and provoking the Federal Reserve to raise interest rates drastically. Much higher rates could produce a recession that could hurt President Clinton's re-election prospects, if the downturn lasted through the 1996 election, these officials warn.

Laura D'Andrea Tyson, the head of the Council of Economic Advisers, has taken a particularly conciliatory approach to the Federal Reserve. For several weeks, she has said repeatedly that another quarter-point rate increase by the Fed this autumn was "consistent" with the Administration's forecast in mid-July that the interest rate on three-month Treasury bills would average 4 percent.

But simple arithmetic shows that given this year's interest rate increases, any further rate increase by the Fed, including today's, produces a full-year average of more than 4 percent. During an interview on Friday, Ms. Tyson acknowledged that this might be a problem for her forecast. She said that she still expected her forecast of 3 percent growth this year to be accurate but said that interest rates might be higher because so much of the economic growth has come early in the year, putting pressure on the Fed to raise rates.

Another Rate Rise



The New York Times

Wider China Trade Gap

WASHINGTON, Aug. 16 (AP) — The United States bought $7.4 billion worth of goods from China in the first three months of the year and sold only $2.2 billion worth to the Chinese, increasing the trade deficit with Beijing to $5.2 billion, $1 billion more than in the similar period of 1993.

THE NEW YORK TIMES, WEDNESDAY, AUGUST 17, 1994

Senate Republicans Impede Health Legislat

By David S. Broder
and Helen Dewar
Washington Post Staff Writers

Senate
– Health

HEALTH CARE HIGHLIGHTS

■ THE HOUSE may make major changes in the Democratic leadership bill. It pushed back debate on the measure beyond next week and possibly into September. Targets for change are the payments required by small businesses to buy insurance for their workers and a new part of Medicare designed to provide health care to the poor and employees of small businesses.

■ THE SENATE took up its first amendment and immediately ran into trouble. Republicans said that they were not being allowed enough time for debate. Meanwhile, a moderate House-drafted health care plan that would increase coverage to about 90 percent of Americans without raising taxes drew support in the Senate.

■ THE ADMINISTRATION sent 21 top officials to Capitol Hill to lobby for reform, but at least some of them preached to the choir.

■ LOBBYISTS for a newly formed coalition of large health care corporations and major business groups described the Mitchell bill as dead meat.

The Senate got off to a tumultuous start on health care legislation last night as Republicans blocked votes on amendments, starting with one to require health plans to provide preventive services for pregnant women and infants.

The Senate's early impasse came as key House Democrats said the health care bill that President Clinton is backing in the House faces major changes and debate on the measure was postponed beyond next week and possibly into September.

Four days after their debate began and barely 40 minutes into consideration of the first amendment, senators got into a shouting match over rules and, after a brief cooling-off period, found themselves in even deeper trouble.

After consulting with Minority Leader Robert J. Dole (R-Kan.), a clearly peeved Majority Leader George J. Mitchell (D-Maine) said Republicans were prepared to "use their right of unlimited debate," the polite term for a filibuster, to prevent votes on amendments through the weekend.

He said he hoped agreement could be reached today, during an unusual Saturday session called to make progress on the top-priority health care bill, to start votes early next week on his scaled-back version of Clinton's health care proposal.

Then Republicans, complaining that Democrats were rushing action on amendments to curtail their opening arguments, said they had 28 senators waiting to make speeches of three or four hours each.

Democrats responded by accusing them of using obstructionist tactics and threatening to talk straight through the Senate's rapidly dwindling recess, which was to have started last night.

"If we're going to defeat this bill, we need a lot of time to talk to the public," said Sen. Bob Packwood (R-Ore.), who is backing a much more modest GOP alternative.

Almost lost in the acrimony was the amendment itself. Offered by Sen. Christopher J. Dodd (D-Conn.), it would require health plans to offer prenatal care, well-baby care and immunizations for children and pregnant women by next January, well before the rest of the health care plan would be implemented.

Meanwhile, a potentially important new element was introduced into the Senate debate when several senators of both parties decided to sponsor a health plan that Democratic and Republican moderates proposed Thursday in the House.

A new Senate health care proposal, patterned after the bipartisan plan introduced in the House by Reps. Jim Cooper (D-Tenn.), Michael Bilirakis (R-Fla.) J. Roy Rowland (D-Ga.) and others, will be introduced next week in the upper chamber by Sens. Pete V. Domenici (R-N.M.), Sam Nunn (D-Ga.), David L. Boren (D-Okla.) and Robert F. Bennett (R-Utah), the four lawmakers announced.

The four senators announced their plans as another, larger group of bipartisan moderates was still struggling over both substance and strategy in trying to draft a set of alternatives to key provisions in Mitchell's proposal.

In the House, although Majority Leader Richard A. Gephardt (D-Mo.) said he is not planning to rewrite his proposal that has received the president's blessing, two of his major allies said revisions may be on the way.

"The bill Mr. Gephardt has come in with will not be the last word," said Rep. Benjamin L. Cardin (D-Md.), who was chosen by the party leadership to shepherd undecided Democrats to meetings with Clinton during the past few weeks.

Gephardt's bill contains more elements of the original Clinton plan than any bill surviving in the House or Senate. It includes a requirement that all employers pay most of the cost of insurance premiums for their workers, and it promises to guarantee coverage of every American by 1999. Two rival bills in the House and the measure put forward by Mitchell either postpone those features or omit them entirely.

But Cardin said, "The employer contribution—especially for small business—is an open question," and he suggested that other elements may also be reexamined.

Gephardt's bill relies on an expansion of the existing Medicare program for senior citizens to as many as 55 million welfare families, the unemployed, part-time workers and potentially millions of others who work in small businesses. It would be called Medicare, Part C. Yesterday, for the first time, Rep. Fortney "Pete" Stark (D-Calif.), chairman of the health subcommittee of the House Ways and Means Committee and originator of the Part C proposal, said he "can see Medicare C being altered or dropped. There are a number of other ways I could suggest for covering those people."

Gephardt, on the other hand, said that when the Congressional Budget Office (CBO) has completed its analysis of his bill and the alternatives, "I think our bill can pass." Asked if he expected to make changes in it, he replied, "I don't think so."

He and others said yesterday that the Republican health bill and the conservative bipartisan measure would leave at least one out of 10 Americans uninsured and might drive up insurance costs for others.

House consideration of health care has been delayed while the CBO, which has been preoccupied with various Senate health proposals, calculates the impact of the rival proposals on the federal budget. But leadership sources also made clear that after Thursday's unexpected setback, when the House refused to take up the administration's crime bill, they needed time to regroup. The first political imperative, they said, was to reverse that vote and pass the crime bill, perhaps as early as next week, and then shift the focus back to health care.

The emergence this week of a more conservative alternative to Gephardt's bill, backed by a bipartisan coalition of Republicans and moderate Democrats, renewed talk that the leadership needed a fallback position—closer to that bill and to Mitchell's Senate measure. The bipartisan bill has no employer mandates or taxes and claims to insure 90 percent of the people by 2004.

Mitchell's bill, which does have new taxes, aims at insuring 95 percent of the population by 2002—and delays consideration of employer mandates until that time. Officially, no such effort at drafting a backup to the Gephardt bill is underway. But a number of sources said staff work has begun, and the comments from Stark and Cardin suggested that at least some key players were discussing options.

Behind all the nervous chatter were two realities: Democrats are unsure if they will have the votes to pass the current Gephardt bill, and they are worried that the schedule delay may further damage its chances.

In the morning, playing to the cameras, 21 Cabinet members and other high government officials walked up the steps of the Capitol together before fanning out to talk with members about the importance of passing a health bill. White House officials said they made more than 50 visits, many of them to Mitchell bill supporters.

As they were making rounds, a newly formed coalition of large health care corporations and major business groups stood on the lawn outside the Capitol lambasting the Mitchell bill. "The longer it hangs out there, like a piece of meat, the American people are going to understand it's not a very good bill," said John Motley, chief lobbyist for the National Federation of Independent Business, which represents small businesses.

Staff writer Dana Priest contributed to this report.

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Saturday, August 13, 1994 The Washington Post

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Democratic Criticism of Starr's Appointment Mounts

By Howard Schneider and Ruth Marcus
Washington Post Staff Writers

Congressional Democrats yesterday stepped up their criticism of newly appointed Whitewater independent counsel Kenneth W. Starr, contending that a Capitol Hill meeting involving one of the judges who selected him taints the choice of a prosecutor who is supposed to be above politics.

Appeals court Judge David B. Sentelle and Sen. Lauch Faircloth (R-N.C.), one of the administration's chief Whitewater critics, both deny they discussed Starr's appointment or the removal of then-Whitewater special counsel Robert B. Fiske Jr. at their July 14 luncheon. They said it was a meeting of old friends and had nothing to do with the Faircloth-led opposition to Fiske among conservative Republicans.

White House officials declined to comment on the record yesterday. But they helpfully pointed reporters to a law permitting "any person" alleging judicial misconduct to file a complaint with the court.

And a senior official, speaking on condition of anonymity, said the report of the Sentelle-Faircloth meeting was troubling.

"The American people expect their judges and courts to act with impartiality, and meetings like the one disclosed in The Washington Post [yesterday] morning do not convey the appearance of impartiality," the official said. "It is extremely troubling."

Rep. John Bryant (D-Tex.), chairman of the House Judiciary subcommittee that wrote the independent counsel law, called the session "alarming" because it occurred at a time that Sentelle and two other judges were in the midst of deciding to replace Fiske, and Faircloth was leading efforts to have Fiske replaced.

"It clearly adds to the concern that this appointment was inappropriate and not in the public interest," said Bryant, who is considering holding oversight hearings on what happened. "Yesterday I said I would be surprised if the judges knew all the facts about Ken Starr before they appointed him. Today, I'm beginning to wonder if they did know it."

Those "facts" caused mounting consternation yesterday on Capitol Hill.

In the Senate, a key Democrat demanded in a letter that Sentelle, a Republican, reopen the decision because of Starr's "highly visible partisan political activities"—including, most recently, his involvement in a Virginia congressional campaign and criticism of President Clinton's immunity claim in a sexual harassment lawsuit.

Sen. Carl M. Levin (D-Mich.), who chairs the panel that oversees the independent counsel law, said he felt Starr's appointment was a threat to the independent counsel system established 15 years ago for investigating high-level administration figures. After reviewing the decision, Levin said the judges should explain publicly why Starr can be trusted to carry out an impartial investigation any more than Fiske, who was removed as Whitewater independent counsel last week in part to avoid the appearance of ethical conflicts.

"The issue with respect to Mr. Starr is not his personal integrity or competence; it is that he lacks the necessary appearance of independence," Levin said. In an interview, Levin said that he feels Starr's appointment raises the most serious questions ever about the political motives of an independent counsel.

Levin's comments were made as lawmakers and legal observers continued to criticize a meeting last month between Sentelle and Faircloth, both allies of Sen. Jesse Helms (R-N.C.) who backed Sentelle's nomination to the bench in 1985.

Rules for judges contain strict limits on "ex parte" contacts, and legal experts say that even if the substance of the Whitewater case was not under discussion, the rules are also meant to instill confidence in the process by avoiding the appearance of partiality.

"Certainly it was wildly imprudent for them to meet," said Geoffrey Hazard, a University of Pennsylvania law professor.

Even legal scholars who felt the rules for informal contact might be looser in this case than they would be for actual litigation felt it unwise for Sentelle and Faircloth to be communicating privately at such a pivotal moment.

"There has to be some private communication in order to allow the court to make an intelligent choice about appointing a special counsel," said Stephen Lubet, a law professor at Northwestern University. "But it does not have to be communication with the principal critic of the investigation's target."

On the House floor, Rep. Steny H. Hoyer (D-Md.) said Starr's appointment may have been intended to build confidence in the investigation, but has done the opposite.

Because Fiske originally was appointed by a member of Clinton's Cabinet, Attorney General Janet Reno, the judges replaced him "to preclude a perception of conflict," Hoyer said in a later interview. But given Sentelle's ties to Faircloth, they "accomplished exactly the opposite."

"It leads one to believe that what they were looking for is not to change the perception of partisanship," Hoyer said, but to ensure the investigation is as critical of Clinton as possible. Fiske's initial conclusions clearing the administration of any wrongdoing further angered Faircloth and others in the GOP, who felt Fiske's ties to former White House counsel Bernard Nussbaum compromised his investigation.

Senate - Health

Mitchell Announces Plan to End G.O.P. 'Filibuster' on Health Bill

A1

By ADAM CLYMER
Special to The New York Times

WASHINGTON, August 15 — After Republicans blocked all votes on health insurance legislation today, Senator George J. Mitchell called it a "filibuster" and said he would hold the Senate in session 24 hours a day, starting on Tuesday, until the Republicans backed down.

Mr. Mitchell, who has never forced an all-night session in his six years as majority leader, said that if no votes on amendments were allowed on Tuesday, "the Senate will remain in continuous session thereafter, through the evening, through the night."

"Those senators who want to delay," he added, "are simply going to have to be here around the clock to do it."

The Senate was remarkably still as he made his announcement, with 60 or so members standing silently and listening. Senator Bob Dole of Kansas, the minority leader, had refused to agree to a timetable for voting on amendments to Mr. Mitchell's health care bill shortly before 5 P.M. Mr. Dole left the Capitol before Mr. Mitchell spoke, and his office said he would have no comment.

But Senator Bob Packwood, the Oregon Republican who is managing the opposition forces on the Mitchell bill, insisted, "This is not a question of delay."

Senator Don Nickles, Republican of Oklahoma, said: "I don't think we are trying to stall. I think we are trying to be serious." And Senator Phil Gramm, Republican of Texas, said, "We're not in a filibuster now, and everybody knows it."

Without getting 60 votes to end debate, which Mr. Mitchell can probably not assemble now, the majority leader cannot force Republicans to let votes be held. But all-night sessions, punctuated by votes on procedural motions, may dramatize the situation and make the Republicans look like obstructionists.

Mr. Gramm made it clear that at least some Republicans were far from embarrassment. He told Mr. Mitchell that once "amendments come, they will come in a torrent," suggesting another route that senators can take to stall progress on a bill.

Nor did Mr. Gramm, a likely Presidential candidate in 1996, shrink from the word "filibuster." He said that what had happened since the Mitchell bill came up last Tuesday was not

Continued on Page A13, Column 1

Mitchell Says G.O.P. Talk Is Filibuster

Continued From Page A1

"anything remotely similar to a filibuster."

"When we have a filibuster, if that's what it takes to stop a Government takeover of health care, then everybody will know it," Mr. Gramm said.

While Mr. Mitchell's stunning announcement dramatized the divisions over the bill, other senators were working to bridge the gaps. Senator John H. Chafee, Republican of Rhode Island, said a bipartisan group would decide on its strategy on Tuesday morning and then discuss its ideas with Mr. Mitchell, who has been talking daily with the Rhode Islander.

The bipartisan group, which calls itself the "mainstream coalition," appears uncertain about whether it wants to present a whole new bill or just a series of amendments, which Mr. Mitchell would find more welcome. The group also seems inclined to call for eliminating provisions to create a prescription-drug benefit under Medicare and give aid to states for long-term care; Mr. Mitchell's supporters consider both provisions essential.

Mitchell's Counterattack

One Chafee ally, Senator John C. Danforth, Republican of Missouri, told the Senate, "Right now, we are hopelessly bogged down." He said the only solution was to "regroup and attempt to come out with a consensus proposal."

Mr. Danforth criticized the Mitchell bill sharply but specifically, unlike its harshest Republican critics who paint it as an evil plot.

The message of Government takeover and bureaucracy has been the continuing one since debate began last Tuesday. Democrats, in shorter speeches, have replied by criticizing the Republican health bill offered by Mr. Dole, or by speaking up for the amendment that Mr. Mitchell wants a vote on: it would require insurance companies to include pre-natal and infant care in all insurance policies, starting July 1, 1995.

In the course of the day today, Democrats stepped up their accusations of Republican deceit. Mr. Mitchell began it when the Senate convened this morning, attacking Republicans for saying that he sought a "Government-run health insurance system."

"Saying something over and over again does not by itself make it true," the Maine Democrat said. "This is a desk before me, and if I repeat a thousand times that this is a horse, it will not become a horse. It might persuade some people of that because we all know that repetition can create that impression. But it does not make it so."

Later, Senator Tom Daschle, Democrat of South Dakota, said Republican delay was hurting Americans because "48 people every minute lose their health insurance" and "with every 10-minute speech, 480 people lose their insurance."

Mr. Dole was not on hand to argue with him, but he had told a breakfast at the United States Chamber of Commerce today that "we're not in a filibuster."

"After eight or nine hours of debate," Mr. Dole said, "there is already the perception — and the liberal media is buying into it — that somehow the Republicans are stalling, stalling." In fact, he said, their long speeches were intended to find out what was in the Mitchell bill and educating the public about it.

Mr. Mitchell's main weapon, in trying to get Republicans to allow votes on Tuesday, is the threat of ridicule and embarrassment. To annoy those senators who worry about assembling a perfect voting record, the majority leader can call for votes in motions to ask the sergeant-at-arms to "request the presence of absent members" or even to arrest them. But those are basically the only votes that can be held without unanimous consent, or without the 60 votes that Senate rules require in order to impose cloture and halt debate.

Mr. Packwood insisted that Republicans were not in a filibuster because they were talking about the bill itself. "This wasn't Huey Long reading the telephone book," he said.

But Mr. Mitchell dismissed Mr. Packwood's point as "not a serious argument."

While Mr. Mitchell has sought to accommodate moderates' concerns on some matters, like requiring employers to pay for insuring workers, Mr. Danforth said, "He has not met us halfway; we are light years away from Senator Mitchell."

The Mitchell bill, Mr. Danforth continued, is "too much, it's too much, it's just too much for us to choke down as a country."

While members of the bipartisan coalition seem divided on whether to write a new bill or amend Mr. Mitchell's, Mr. Danforth said: "I want to underscore the fact that I do not think it can be amended back into shape. I think we are going to have to start with something new."

THE NEW YORK TIMES, TUESDAY, AUGUST 16, 1994

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Senate
hc

THE WHITE HOUSE

WASHINGTON

July 14, 1994

MEETING WITH SENATOR CONRAD

DATE:	July 14, 1994
LOCATION:	Oval Office
TIME:	5:10 PM to 5:40
FROM:	Patrick Griffin

I. PURPOSE

- To acknowledge the difficulties that Senator Conrad faces in his home state in supporting a health reform initiative closely associated with the Administration.

- To illustrate great flexibility and willingness to compromise to achieve a bill that assures universal coverage.

- To enlist his assistance in doing outreach to other moderates in the Senate.

- To urge him to be a positive force for the Democratic effort rather than inadvertently giving assistance to the Republicans.

II. BACKGROUND

As one of the "rump group 7," Senator Conrad plays a significant role in the development in the Senate Finance Committee passed bill. He is extremely nervous about the health care issue and believes that any bill that can be labeled as a "Clinton bill" is poison in North Dakota. Just yesterday in a Democratic Members Finance Committee Meeting with Senator Mitchell, he was very negative about the prospects of health reform efforts. He will require an extraordinary amount of hand holding, "pork"-giving and hard-nose lobbying to attract and retain his support. In short, Senator Conrad will be one of our most difficult votes and someone who has potential to influence other votes, in particular Senator Dorgan.

III. PARTICIPANTS

The President
Senator Conrad
Leon Panetta
Patrick Griffin
Harold Ickes
Steve Ricchetti

IV. SEQUENCE OF EVENTS

Closed meeting with Senator Conrad in the Oval Office.

V. PRESS PLAN

Closed Press. (White House Photographer will be present.)

Senate hc

THE WHITE HOUSE

WASHINGTON

94 JUL 14 P4:13

July 14, 1994

MEETING WITH SENATOR DORGAN

DATE:	July 14, 1994
LOCATION:	Oval Office
TIME:	5:10 – 5:40 PM
FROM:	Patrick Griffin

I. PURPOSE

- To acknowledge the difficulties Senator Dorgan faces in his home state in supporting a health reform initiative closely associated with the Administration.
- To acknowledge his concerns for the need for real cost containment and express your desire to work with him in achieving that end.
- To illustrate great flexibility and willingness to compromise to achieve a bill that assures universal coverage.

II. BACKGROUND

Senator Dorgan has great concern voting for a bill that is closely associated with the Administration. His primary concern has always been the need to insure real cost containment. He supports universal coverage. While he is still developing his position on how to get there, he has indicated that he could support a mandate on large employers and possibly a mandate or a hard triggered mandate on small businesses with a carve out for smaller firms and an assessment on firms that do not provide coverage.

Senator Dorgan has not expressed great interest in other health care issues with the exception of rural health care. It is likely that Senator Dorgan will be influenced by Senator Conrad on this issue. They agreed earlier to stick together. He also does not want to do anything to undermine Conrad's reelection effort.

III. PARTICIPANTS

The President
Senator Dorgan
Leon Panetta
Patrick Griffin
Harold Ickes
Steve Ricchetti

IV. SEQUENCE OF EVENTS

Closed meeting with Senator Dorgan in the Oval Office.

V. PRESS PLAN

Closed Press. (White House Photographer will be present.)

MAY 11 1994

MEMORANDUM

To: Distribution List

From: Chris Jennings

Date: May 10, 1994

Re: Senator Mitchell's Premium Cap Presentation

Attached is the final copy of Senator Mitchell's presentation on premium caps.

Distribution
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