Copies provided

FW

THE PRESIDENT HAS SEEN 5/24

The Senate of the State of New Hampshire

State House, Concord, 03301-4951

BARBARA J. BALDIZAR
District 12

Office 271-2117

TTY/TDD
225-4033

Dear Hillary,

4-23-93

It is wonderful to write this letter to you and address you as the "First Lady". I remember primary night in New Hampshire, I asked you how you felt and you said, "vindicated". I'll never forget it. You must find yourself busier now than you ever imagined. I am confident that the American people will be well served.

Please let me extend my sincere and deepest sympathy to you on the loss of you father. My own father died 25 years ago, 6 months before Bob and I were married. I still think of him almost daily, and of course I miss him time does heal the pain and I am grateful his pain is gone.

I am writing to request an appointment to the National Commission on Children or The National Commission to Prevent Infancy Mortality.

I am also writing to urge you to discuss the possibility with the President of establishing a commission on Domestic Violence, which I believe leads to child abuse and neglect and the decline of the family structure in our country.

As you know, I am currently serving my first term as a N.H. State Senator. I was previously elected to three terms in the N.H. House of Representatives.

I have been involved in children's issues as an elected official for 7 years. I have taken the lead in many instances to bring issues that relate to the well being of our youth to the forefront. For example, in 1987 I sponsored legislation to prohibit video stores from renting X and R rated videos to persons under 17 years of age. I believed then as I do now that the recent rise in crime among our youth is directly related to the influence of violence in the media.

The Senate of the State of New Hampshire
State House, Concord, 03301-4951

BARBARA J. BALDIZAR
District 12

Office 271-2117

TTY/TDD
225-4033

In 1992 I sponsored HB-1339, a bill which requires an aggressive approach to collecting overdue child support payments. This became known as the, "Dead Beat Dads Bill". The idea for this came from a conversation I had with then, "Governor" Clinton. We were discussing a similar bill he had just signed into law in Arkansas. In 1990 I sponsored HB-1281 establishing a study committee to identify women at risk for drug and alcohol abuse during pregnancy. I have enclosed a copy of a report that I wrote on the subject.

Also in 1992 I sponsored legislation to continue and expand the work of this committee, HB-1374 established a state wide task force to continue this very important and timely subject. The task force will hold it's second annual conference in May, (see brochure), to continue to identify and treat women who are at risk. These are a few examples of my efforts on behalf of our youth. My commitment to the health and well being of our children is unwavering.

I was recently appointed by Judge Edwin W. Kelly, administrative Justice of the District and Municipal Court, to serve on a Domestic Violence Protocol Advisory Committee for New Hampshire.

I have a sincere interest and would consider it an honor to participate on a National Commission that relates to the well being of our nations children. I know you are inundated with requests. If you need any further information, I will be happy to supply it.

As always, best regards,

Barbara Baldizar

Senator, District 12

THE WHITE HOUSE
WASHINGTON

DATE: 5/25

NOTE FOR: MAGGIE WILLIAMS

The President has reviewed the attached, and it is forwarded to you for your:

Information ☐

Action ☑

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

DUCKS UNLIMITED INC.

STEVE FRICK
SENIOR REGIONAL DIRECTOR
ARKANSAS

1011 N. Denver
Russellville, Arkansas 72801

PRESIDENT BILL CLINTON
WEST WING
WHITE HOUSE
WASHINGTON, D.C. 20500

LEADER IN WETLANDS CONSERVATION

DUCKS UNLIMITED INC.

R. KEVIN CAUGHMAN
REGIONAL DIRECTOR
NORTH ARKANSAS

1011 N. Denver
Russellville, Arkansas 72801
(501) 967-8188
FAX (501) 968-5514

May 13, 1993

President Bill Clinton
West Wing
White House
Washington, D.C. 20500

Dear Bill,

Thank you very much for taking time from your hectic schedule to allow us into your office. To be in the West Wing and additionally in the Oval Office with our own from Arkansas was indeed special. Bobby, Carmen, Larry, Brenda, Tommy, Brenda, Sam, and I were truly honored you spent time with us, and for that we are most grateful.

The work you are doing for our country and the world must weigh heavily on you and your family's shoulders. I've always felt one of your strongest attributes was your ability to keep things in perspective, and I know you will keep your family's happiness and well being at the top of your list of priorities.

Again Bill, many thanks to you and your staff for allowing us quality time in the White House. I shall never forget that experience.

My daughter Amber, who is thirteen, said the only mistake I made was not getting enough packages of Presidential M & M's.

Stay happy and remember your best is all you can give. Someone else's idea of what your best is, is irrelevant.

Warmest Personal Regards,

Kevin Caughman,
Regional Director

KC:jlm

THE PRESIDENT HAS SEEN 5/25

BL-Fyi
cc Marilyn Yoo

May 14, 1993

93 MAY 24 AM : 17

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

It was a pleasure to see you and Hillary at the Marine Barracks on Friday evening. It was my first opportunity to see the two of you since arriving from San Antonio and you both look great.

Please allow me this chance to express my sincere appreciation for your trust and confidence. Being named by you to serve as your Secretary of the Navy was the most significant event of my life, and I promise to serve you with all of my personal energies. I know that you had to consider many qualified people, most of whom knew you well and all of whom wanted this appointment. I am extremely pleased and proud that you selected me. I look forward to my confirmation and I am anxious to get to work.

You did a great job at the Barracks Friday evening. You clearly demonstrated to all in attendance that you are and will continue to be an outstanding Commander in Chief. I know that you will enjoy very much the experience of leading these proud professionals, and I know that they will follow you willingly. The Marines were extremely proud to have you as their guest of honor, and it was a very special occasion for all of them.

As you know, the military represents a very large constituency. Most Americans have either served on active duty or have close family members who have. Because of this fact, I am pleased that you have taken advantage of the opportunities to be seen in the public eye as a President who respects and admires the service of our military men and women. I strongly encourage you to continue that practice. The Sailors and Marines that I have talked to speak of you with great respect. You can count on their loyalty. They are not only the fighting men and women of their respective Services, but they are also a very important constituency, one which will serve you well. I look forward to recommending to you other opportunities to deepen your relationship with the Naval Service.

I am in the process of conducting interviews to fill the many civilian positions in the Department of the Navy, and I look forward to sending to you, through Secretary Aspin, a slate of men and women who will be responsive to your leadership and who will assist me in leading the Department of the Navy in the direction you are leading our country.

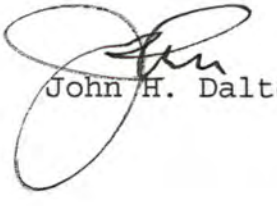
I have been working with the White House Personnel Office to ask for names of those who worked in your campaign. I am committed to hiring qualified people and my preference is that they all have some ties with you and that they contributed to the success of your campaign. It is important to me that I have people working for me who are focused on and are loyal to your agenda.

I hope that if there is anyway that I can be helpful to you, either within the Department of the Navy or elsewhere, that you will not hesitate to let me know. I will keep Howard Pastor apprised of things I learn on the Hill, and I will do my best to be for you another set of eyes and ears. I offer to you any advice and assistance that I can provide.

I recently learned that there is a good possibility I may be confirmed before Congress adjourns for the Memorial Day recess. That being the case, I plan to arrange for a formal swearing-in ceremony on the nineteenth of June at the Naval Academy. My family and I, and the Naval Service, would be extremely proud if you would officiate that ceremony.

As I said, I am very proud to have been named to be a part of your Administration, and I want you to know that I think the American people made a wise decision in choosing you to lead the country. I look forward to serving you in <u>both</u> successful terms. I stand ready to help in every way I can.

Respectfully yours,



John H. Dalton

Deliver

The President
The White House
Washington, DC 20500

THE PRESIDENT HAS SEEN 5/25

May 14, 1993

93 MAY 24 AM : 16

MEMORANDUM FOR MACK McLARTY, CHIEF OF STAFF

FROM: BILL BURTON

SUBJECT: Btu tax -- Rothschild

Ed Rothschild, energy policy director at Citizens Action, told me by telephone this morning that despite the moving of the collection point on the Btu tax, he thinks his group will continue to support the President's economic package. His argument, which he said he made in a radio interview this morning, is that the package as a whole remains progressive.

This is good news; it was the consumers we were most at risk in losing over the collection point being moved to the burner-tip/switchplate. He warned that we should continue to fight further exemptions in the tax, particularly if the exemptions result in increasing the other Btu tax rates.

cc: Roy Neel

Response to Ed

BTU file

Dist to POTUS

V-P

Lloyd B / Roger A

Katie

Erskine

others

PHOTOCOPY
WJC HANDWRITING

cc Bruce

THE PRESIDENT HAS SEEN
5.25.93

23rd May 1993

GS
Nice mayhem a yours
Wm

TO: The President
The White House
Washington, D.C. 20500
Via Fax #202-456-2397

FROM: Thomas Caplan

Dear Mr. President,

In New York on Wednesday I happened to run into George Plimpton, who told me that he had attended your speech at the Cooper Union the week before and thought very highly of it, having been especially affected (as I was) by the passages on 'faith'. He had the feeling, he told me, that 'Clinton is my kind of cat'.

In the course of conversation, over dinner, he wondered about the possibility of his following you for a day, or some part of one, as he had followed President Bush, then writing of the experience either for his column in ESQUIRE, HARPER'S, or some other magazine. I promised to ask.

* What occurred to me - and I mentioned this to him - is that a perfect time might begin with the evening of our reunion dance and extend through the mass at Arlington in remembrance of Robert Kennedy and the dinner at Hickory Hill on Sunday. He and I will be attending the latter events in any case and I suspect he could uniquely tie together present and past, having been roughly our present age in 1968 and, of course, beside Bobby when he was shot.

George Plimpton is an awfully pleasant fellow. He seems genuinely alert to the emotional echoes which fill the years and distance between your agenda and Robert Kennedy's and altogether sympathetic to you. In this connection, it seems worth noting that his bona fides are demonstrably more literary (n.b. he founded The PARIS REVIEW) and journalistic than theatrical.

Would you let me know your thoughts?

With fine wishes.

Yours,

Copy: George Stephanopoulos

PHOTOCOPY
W.I.C HANDWRITING

Ben Franklin
TECHNOLOGY CENTER
SOUTHEASTERN PENNSYLVANIA

THE PRESIDENT HAS SEEN
5.24.93

President Bill Clinton
The White House

Cover

UNIVERSITY CITY SCIENCE CENTER
3624 MARKET STREET
PHILADELPHIA, PA 19104-2615

Ben Franklin
TECHNOLOGY CENTER OF SOUTHEASTERN PENNSYLVANIA

May 24, 1993

President Bill Clinton
The White House
Washington, DC 20500

Dear President Clinton:

It was a pleasure seeing you again at the White House ceremony recognizing the organizations awarded funding under the SBA's "Microloan Demonstration Program." I believe the decade of success of the Ben Franklin Technology Center in creating jobs through technological innovation can be of assistance to your Administration - and we would be pleased to review our experience with appropriate staff in your Administration.

Minority Business Development

The Ben Franklin Technology Center is one of the very few "technology development" organizations participating in the "Microloan Program." It illustrates our success in identifying ways of using technological innovation to create jobs in minority companies and urban communities. We are also managing the SBA's pilot "Technology Access Program" to provide access to on-line computer databases for small companies in Pennsylvania. (You saw a demonstration when you visited the Ben Franklin Tech Center in January, 1992).

Defense Conversion

We are leading a regional consortium of organizations developing a comprehensive, integrated response to your "Technology Reinvestment Project," building on the skills of the 7,500 workers at the Philadelphia Naval Shipyard. Although the Ben Franklin program is "officially" cited as a model for the TRP, I am concerned that as currently oriented, this "dual use" program will not have a sufficient focus on job creation, nor will it assist those communities and companies most severely impacted by defense downsizing.

Venture Development

We have successfully demonstrated how the public sector, working with the private investment community, can create internationally competitive technology companies. On June 10, 50 "Ben Franklin" founded companies will be meeting with 150 private investors to develop new partnerships for growth. We will also be celebrating the 10th Anniversary of the Ben Franklin Program. We would be pleased to have a member of your Administration as a special guest of honor.

Sincerely,
Phil Singerman
Phillip Singerman, CEO

P.S. - Kathy Roth, my wife, sends her best wishes to you + Hillary.

UNIVERSITY CITY SCIENCE CENTER • 3624 MARKET STREET • PHILADELPHIA, PA 19104-2615 • 215-382-0380 • FAX 215-387-6050

Sponsored by Pennsylvania's Ben Franklin Partnership to promote economic competitiveness through technology and innovation

Ben Franklin Partnership Entrepreneur's Fair

A Unique Opportunity for Investors to See 50 of Pennsylvania's Fastest Growing Companies

June 10, 1993

12:30 to 7:00 P.M.

Holiday Inn - King of Prussia

Sponsored By

Ben Franklin Technology Center of Southeastern Pennsylvania
Business Philadelphia
Delaware Valley Venture Group

THE BEN FRANKLIN PARTNERSHIP - is the largest investor in seed and early-stage companies in the state. The combined portfolios of the four centers across the state number in the hundreds.

- Fair will feature fifty of the most promising early-stage companies from around the state
- All companies have received financing from the Ben Franklin Technology Centers
- Exhibit format will present these superior investment opportunities to an audience of sophisticated investors
- Co-sponsorship from twenty regional service and venture firms
- Exhibiting companies will be featured in an eight-page insert in the June Issue of *Business Philadelphia*
- Attendees will receive a comprehensive program book and lunch
- Attendance includes a reception at end of event to celebrate the 10th Anniversary of the Ben Franklin Partnership

ATTENDANCE FEE - $125 per person, availability limited.

TO REGISTER - Contact Diane Barr, Event Coordinator, at Portfolio Associates 215-627-3660.

Ben Franklin Partnership Entrepreneur's Fair

June 10, 1993

Exhibitors

AAI-ABTECH
Affinity Biotech
American Artificial Larynx
Applied Separations
Arcland
Bio Med Sciences, Inc.
Biocoat
Biosyn
Broadband Networks
CHI Software
Conrex Pharmaceutical
Context Systems
DeadSolid Simulations
Devine Foods
Endless Pools
Exocell
French Creek Software
Hylunia International
ICC Technologies
Immunicon
Infonautics Corporation
Intelligence At Large
International Canine Genetics
International WIN
Keyboard Publishing
Keystone Management Systems
Leonard Medical
Magainin Pharmaceuticals
Mentor Systems International
National Safety Clean
Nova Design Partners
Paragon Technology
Paralogic
PennPro Cellulose Mfg. Company
Pittsburgh Software Company
Preservation Technologies.
Protocomm Corporation
RJ Lee Group
Rolite
Rolltrusion
Scientific and Engineering Tools
Sicom Systems
Station Software
Symphony Pharmaceuticals
Syncro Development Corporation
Ultrafast
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Synnestvedt & Lechner
Wolf, Block, Schorr and Solis-Cohen

NATIONAL ASSOCIATION FOR THE
ADVANCEMENT OF COLORED PEOPLE
2857 IMPERIAL AVE.
SAN DIEGO, CALIFORNIA 92102

[redacted]

President Clinton

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

MONDAY, May 17, 1993

San Diego Chapter established 1919

TO PRESIDENT CLINTON

My name is Frank R. Jordan, President of the San Diego NAACP I would like to address drug abuse and gang violence which have destroyed families and the lives of thousands of American Youth.

* Our Country needs a real drug abuse policy for eliminating, the endless supply of drugs and weapons that flow through our communities like a spring rain.

* Drug abuse, Drug addition can be eliminated by enacting the following suggestions:

A. Provide medical and psycholocial care to those addicts who seek help, and they should be able to get help immediately. This could be done without raising taxes. If we re-focus the role of the military we can use the services of the military hospital, military doctors and other military medical professionals.

B. Many of the homeless are drug addicts and mentally ill, a large percentage are vietnam vets. I also suggest that we use the military medical facilities and professionals to treat and cure those AMERICANS who have fallen on hard times.

* Many of our Youth have turned to crime and drugs because of the lack of opportunity. I also suggest that a partnership between the federal, state and local government be made in order to coordinate the already existing funded programs and agencies that have a manidate, to provide job and career training. Any unemployed or displaced worker should be able to get the necessary job training skills free of charge, especially those who can not pay.

Mr. President during the election campaign you stated that "YOU WOULD PUT THE AMERICAN PEOPLE FIRST". About eight-five percent (85%) of the African Americans voted for you to become President. Unlike special interest groups, all we have ever wanted was equality and the opportunity to compete in the job, housing, education and business arena.

Economic empowerment is the best power that a person and a community could have. We are asking that the (CRA) Community Re-investment Act of 1977 be enforced and that your administration hold the BANKING INSTITUTION ACCOUNTABE.

Mr. President there is a need to eliminate Red Tape, Bureaucrats and Bureaucracy while doing business with the federal government. The federal government should become user friendly and government agencies should be held by the standards of productivity as we hold the private business sector. Once this is done you will find, that you can eliminate freud, corruption and incomputency. This Mr. President will go a long way in lowering the depict and taxes.

RESPECTFULLY SUBMITTED

Frank R. Jordan, President, San Diego NAACP

2857 Imperial Avenue * San Diego, CA 92102 * (619) 236-9078

Talking points for Meeting with Chairman William Ford
May 5, 1993

1. Thank the Chairman for all of his hard work and help in the first 100 days.

2. We will need his help in preventing disabling amendments on the GOALS 2000 education reform proposals. Amendments to the legislation will weaken its substance and limit its effectiveness. You should note that you are fully committed to the formulation of Opportunity to Learn Standards as incorporated in the bill; to National Education Goals as drafted; and to the composition, structure and mission of the National Education Goals panel as it currently exists in the Administration's bill.

3. Explain why it is politically important to involve Representative McCurdy and both Democrats and Republicans not on the Education Committee in the passage of National Service Legislation. This will be a signature piece of legislation for you and we have an opportunity for this legislation to be truly bipartisan and we need his assistance in this measure.

(**FYI:** Ford talked to McCurdy this afternoon and they had an unsatisfactory phone call--according to Ford--because McCurdy wanted to be a principle co-sponsor of the bill and Ford said no because he wants that designation for himself. Ford told McCurdy that he could be an original co-sponsor, listed after the Committee members, who customarily get top billing. Ford also told him he could be the lead off witness in the hearing. McCurdy wanted more than this and is not happy, which we will have to deal with.)

4. Ask if the alternative direct lending proposal offered by Representative Bart Gordon (D-TN) is a potential problem. If it is, what can we do to ensure that we have the votes to defeat this alternative. (Both Panetta and Gore are calling Gordon to get him to back off this effort.)

5. Implementation of enterprise zones may require authorization from the Education and Labor Committee. We appreciate your assistance as we proceed on this issue.

6. Tell the Chairman that Secretary Riley and Eli Segal are very close to you and they both have conveyed their appreciation for the assistance of the Chairman and his staff. The Committee staff have been working closely with the Department of Education and the Office of National Service staff on these legislative initiatives.

THE PRESIDENT HAS SEEN
6/7

McLarty
copied
FW

Mail
EK

CAPITAL SOUTH

June 2

Dear Mr. President,

Thank you for your note. I am proud to have it.

You need not write me again as you have so much to do. I will continue my notes to you as a voice from the countryside to a friend in the Crucible — in the hopes they will help. -- And never more than one page!

1) Historic congratulations on the House Budget vote.
2) Bergen move is Brilliant.
3) To hell with the approval polls. The proof will be in the pudding and they will follow your upward progress.
4) Sen Hollings says the Senate will give you victory on the Budget bill - with a little compromise
5) Confidential to the White House Fellows: Colin Powell said: "This president is an excellent Commander in Chief and will be an excellent CIC because of the way he listens and responds."
6) Great work at West Point and Vietnam Memorial

Capital South Corporation • 134 Meeting Street • P.O. Box 68 • Charleston, S.C. 29402 • 803-577-7236

Peg

PHOTOCOPY
WJC HANDWRITING

CHARLESTON, SC 294
PM
3 JUN
1993

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CAPITAL SOUTH

Personal

President Bill Clinton
1600 Pennsylvania Ave.
Washington, D.C.
20500-1000

Capital South Corporation
P.O. Box 68
Charleston, S.C. 29402

THE PRESIDENT HAS SEEN 6/7

CHAIRMAN OF THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20318-0001

3 JUN 93

DEAR MR. PRESIDENT,

ONCE AGAIN, CONGRATULATIONS ON YOUR MEMORIAL DAY APPEARANCES.

AND THANK YOU FOR THE TWO EAST GERMAN WATCHES -- QUITE A KEEPSAKE.

VERY RESPECTFULLY,

COLIN

The President
The White House
Washington, D.C. 20500

CHAIRMAN OF THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20318-9999

317 South Saint Asaph St.
Alexandria, Va. 22314
June 4, 1993
THE PRESIDENT HAS SEEN 6/14

Dear President and Mrs. Clinton,

Dinner at the White House with you and your guests was a grand experience in the lives of the Mooses. You both looked as though you were exactly where you should be. And it was a rare treat to receive a guided tour by the President.

Incidentally, Mrs. President, your toast to Molly Raiser was very apt. You were sensitive to the fact that the job was hers because of her skills, with no mention of sex that might have disturbed her poise or her place in the sun. I am certain that the toast helped her to continue to grow in her life.

Note From
Richard Moose, Undersecretary of State
for Management

If any questions, please call
Simon Kahn, White House Liaison
647-9793.

You are both working so hard and with such distinction for this fractured needy society. You are brave and you are strong. And as you continue to bring about the desperately needed changes that brought you to the White House, these loud-voiced days will pass.

Our hearts are with you.

Affectionately,
Maggie and Richard Moore

THE PRESIDENT HAS SEEN 6/22 Tony

WALTER F. MONDALE
2200 FIRST BANK PLACE EAST
MINNEAPOLIS, MINNESOTA 55402
(612) 340-5690

Recd by Tracy on 6/22/93

June 14, 1993

The Honorable Bill Clinton
President
The White House
Washington DC 20500-2000

Dear Mr. President:

I am very honored to have been selected as your Ambassador to Japan. Joan and I are thrilled by this new assignment. You couldn't have been kinder to me at the announcement ceremony. Joan is still flying from your warm words about her.

I will do everything I can to fulfill the trust you have placed in me. I think that our nation's relationship with Japan will have a lot to do with the success of your Presidency and I want you to succeed. You have given me a strong start by virtue of your warm endorsement. That will make me credible in dealing with the Japanese government. If I can help you in any other way, please let me know. Please give our love to Hillary and thank her for attending the announcement ceremony.

With best wishes,

Walter F. Mondale

WFM/llp

MPLS MN 554 06/14/93 21 19 DCR#8

JUN14'93

00.29

The Honorable Bill Clinton
President
The White House
Washington DC 20500-2000

WALTER F. MONDALE
2200 FIRST BANK PLACE EAST
MINNEAPOLIS, MINNESOTA 55402
(612) 340-5690

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 6/22

NOTE FOR: TONY LAKE

The President has reviewed the attached, and it is forwarded to you for your:

Information ☑

Action ☐

[redacted]

Thank you.

JOHN D. PODESTA
Assistant to the President
and Staff Secretary
(x2702)

cc:

[redacted]

THE PRESIDENT HAS SEEN 6/15

STATEMENT OF PRESIDENT WILLIAM CLINTON
SPINNING AWAY AGAIN IN THE PRESS BRIEFING ROOM
*****DRAFT*****
June 15, 1993

I was sent to Washington because middle class people were tired of the status quo, tired of recession and a jobless recovery, and tired of a political system that worked for the special interests instead of the national interest.

For two decades, middle class families have been working harder for less reward. Housing, health care and education costs have soared and the incomes of average people haven't been keeping pace.

That is why I proposed a plan to increase their purchasing power, increase their opportunity to work and buy homes, and restore control over their economic lives and their government.

These problems cannot be addressed overnight. Washington is filled with obstacles to meaningful change. But every day we fight for change, there are signs of economic progress demonstrating that our plan is on the right track.

Today, the Labor Department reported that consumer prices rose barely, only zero point one percent, in the month of May. This follows an equally encouraging report that producer prices did not increase at all in the month of May. These positive results can help ensure that long-term interest rates remain low, and that is an important part of our economic strategy.

Our economy is adding 189,000 jobs each month. Hourly earnings for workers are rising. Home sales are up, and mortgage rates are at a twenty-year low. All together, this means more work, more pay, less inflation, and more opportunity to buy homes for middle class Americans. This is progress, but we must do more.

We have a long-term plan for economic growth and deficit reduction awaiting action by the Senate. The House, last month, acted courageously and decisively to approve our $500 billion deficit reduction proposal. And now the Senate must do the same, if we are to keep the gains we've made and expand opportunity for middle class people

We're committed to getting our economic house in order. That begins with a deficit reduction plan that is balanced and fair. For every ten dollars in deficit reduction we achieve, we cut five dollars in spending, raise four dollars in taxes from the rich, but ask the middle class for only one additional dollar.

We ask the rich to pay their fair share so the middle class can get a fair shake. We cut the deficit by $500 billion and, unlike plans offered by our opponents, we don't cut the cost of living adjustment for Social Security recipients.

We have also recommended significant cuts in Medicare reimbursements to providers. But I cannot support and will not accept Medicare reductions that hurt elderly beneficiaries. In a plan that is truly balanced and fair, deficit reduction cannot take place on the backs of the vulnerable.

During the course of the last five months, we have learned two lessons. First, the economy will improve and financial markets will respond to a serious economic growth strategy that really addresses the deficit. Second, reforms that benefit middle income people are harder to realize when there are so many special interests hard at work protecting their industries at the expense of the national interest.

Later today, a Republican-led and special interest bred filibuster will be put to the test on campaign finance reform. A willful minority of Senators are blocking passage of legislation to drive special interest money out of Washington and to reduce the grip of lobbyists on the political system. We need this bill to pass. Ultimately, we cannot have an economy and a government that works for middle income people until we reform the way we finance political campaigns.

I urge the Senate -- on the economic plan and political reform -- to do right by the American people.

7:52:48	1:00	Ted Kennedy reads Tennyson Dottie signals President Clinton President Clinton walks to mic.
7:53:48	10:00	President Clinton Speaks Ted Kennedy steps down President Clinton steps down Dottie signals Andy Williams
8:03:48	:41	Gerry leads final and candle blessings (Ushers begin lighting candles).
8:04:29	:20	Gerry lights a candle, steps to the left, and lights Mrs. Kennedy's candle.
8:04:49	:20	Mrs. Kennedy lights President Clinton's candle, and then Congressman Kennedy's candle. Family then lights friends' candles.
8:05:09	2:12	Andy Williams begins Battle Hymn with choir
8:07:21	:58	All sing This Land
8:08:19	1:48	All sing When the Saints
8:10:07	3:09	Hallelujah Chorus
8:13:16	2:00	Vita Nostra. Family returns to motorcade, and leaves Cemetery.

THE PRESIDENT HAS SEEN 6/16

To: Communications Staff
Fr: Gene Sperling
Re: Noon Economic Message
Dt: June 16, 1993

While the housing start number was not as good as one might have liked, it would still be worthwhile to hit it at noon, because I think it continues our momentum in showing the benefits to real people of our package passing. If asked he should stress that this is an example of economic news that does not satisfy him but shows progress. Furthermore, it would be good if he stressed "fighting" for his plan to get this benefits for real people.

Suggested Message:

TODAY'S INCREASE IN NEW HOUSING STARTS, ALONG WITH RECENT REPORTS THAT SHOW NEW HOME SALES AT A SEVEN YEAR HIGH, AND THE ECONOMY CREATING 100,000 MORE CONSTRUCTION JOBS, ARE ALL POSITIVE RESULTS OF THE LOWER INTEREST RATES WE HAVE HELPED PRODUCE BY PUTTING FORWARD A SERIOUS AND STRONG DEFICIT REDUCTION PLAN.

IT IS THIS SIMPLE: IF WE PASS A MAJOR DEFICIT REDUCTION PLAN MORE FAMILIES WILL BUY HOMES; MORE WORKING FAMILIES WILL PAY LESS ON THEIR MORTGAGE; MORE JOBS WILL BE CREATED BUILDING MORE NEW HOMES, AND MORE YOUNG PEOPLE WILL HAVE NEW HOPE OF SOMEDAY BEING HOMEOWNERS. THAT IS WHAT ABOUT THIS FIGHT IS ABOUT AND THAT IS WHY I WILL FIGHT TO MAKE SURE THE FINAL BILL IS ONE WE CAN BE PROUD OF.

Background:

New Housing Sales: Today's housing starts were up 2.4% for the second straight month in May, following a 8.1% rise in April. The increase to an annual rate of 1.244 million is solid but not quite as good as some private sector analysts expected. Nonetheless, there is no question that the increase is due to lower interest rates -- largely due to our plan. It was the third highest month for new housing starts in the last three years. Therefore it is still good news and a positive reflection of our plan, although we want to be clear that this is not good enough for us, because stronger starts will come when incomes and jobs are rising faster.

Industrial Production: Industrial production was up 0.2%, a moderate to sluggish number. This is neither a terrible nor good number, but **construction supply production was up 0.7%** -- another positive effect of lower interest rates -- and some private analysts expect more strength in the months to come.

Susan Brophy

21 June

Mr. President -

For the second time, I want to thank you for being so kind to my mother on the trip to Boston.

Having spent her career in public service as the Director of the School Lunch Program in Boston, my mother has great admiration for your priorities, your convictions & your values.

One of the best parts of my job is to be able to introduce you to family & others who hold you in such high esteem and who wish so much for your success.

Thanks again -

Susan

PHOTOCOPY
WJC HANDWRITING

Nancy - If you don't mind, another Boston-related thank you for the POTUS.

Thank you -

— Susan

6/22 cc B Thurston

CHAMBERS OF STEPHEN BREYER
CHIEF JUDGE

June 17

Dear Mr. President,

Ruth Ginsburg is an excellent choice. I have known her for many years, and she will make a fine justice.

I found our discussion interesting, Mort Hall and

U.S. COURT OF APPEALS FOR THE FIRST CIRCUIT
U.S. COURTHOUSE, BOSTON, MA 02109
(617-223-9014)

intelligent. Carol, I
very much enjoyed it.

So, thank you. Carol,
I wish you well in
bringing about the change
the country needs.

Yours sincerely,

Stephen Breyer

Chief Judge Breyer
United States Court of Appeals
U. S. Post Office and Courthouse, Room 1617
Boston, Massachusetts 02109

The President

The White House

Washington, D.C. 20500-2000

Cynthia and Bud Yorkin

June 22, 1993

Dear Mr. President:

Congratulations on an incredible week! You've accomplished more in a week than Reagan and Bush did in twelve years. It also warms our hearts to see that even that prestigious rag, The New York Times, has begrudgingly seen the light... it won't be long until they all fall in line.

We send our warmest regards to both you and Hillary.

Cynthia & Bud

250 Dalton Ave
La Jolla, California 90077

President Bill Clinton
Attn: Nancy Hernreich
THE WHITE HOUSE
West Wing, First Floor
1600 Pennsylvania Avenue
Washington, D.C. 20500

Lee -
I don't know
where this came
from Kelly

6/7/93
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

Perhaps we cannot
prevent this from being
a world in which children
are tortured, but we
can reduce the number of
tortured children. And
if you do not help us to
do this who else in the world
will help us.

- Albert Camus

THE WHITE HOUSE

WASHINGTON

June 30, 1993

PHOTO WITH
THE PRESIDENT OF THE LIONS CLUBS INTERNATIONAL

DATE:	July 1, 1993
LOCATION:	Oval Office
TIME:	5:00 pm
FROM:	Alexis Herman

I. PURPOSE

To take a photo with both the incoming and outgoing Presidents of the Lions Clubs International.

II. BACKGROUND

This is a traditional event. Since 1988, the Presidents of the Lions Clubs have met with the President of the United States.

The current President is Rohit Mehat, from Ahmedabad, India. His is the Chairman and Chief Executive of a textile manufacturing company and a pipe fittings manufacturing company, and has served as President of the Federation of Indian Chambers of Commerce and Industry. He has been a member of the Ahmedabad Lions Club since 1956. He will be accompanied by his wife, Asha Mehta.

James Coffey from Toronto, Ohio is currently First Vice President and will become President at their next meeting. He is employed by Quaker State Oil Refining Corporation. He will be with his wife Elizabeth. Also included is the 1985 - 86 President, Joseph Wroblewski, from Forty Fort, Pennsylvania. Joseph is a funeral director and will be with his wife, Normajean.

The original request comes from Charlie Daniels. I understand you have several friends named Charlie Daniels. This one is the plumber from Virginia whom you know from Moscow. In his request letter, Charlie references the many times he was able to assist you in cultivating relationships with the International Association of Lions Clubs during your years as Governor and on the presidential campaign trail.

Charlie is the past District Governor of the Lions Club (1963 - 1964). He will present you with a special hammer that he made for you as well as other personal gifts.

III. PARTICIPANTS

Charlie Daniels
Ethel Mae Daniels, wife
Rohit Bhia Chinu Bhai Mehta, International President
Asha Rohit Bhai Mehta, wife
James Thomas Coffey, incoming International President
Elizabeth Jean Coffey, (wife)
Joseph Wroblewski, former International President
Normajean Wroblewski, wife

Staff: Danny Wexler

IV. PRESS PLAN

Closed

V. SEQUENCE OF EVENTS

- Participants will be escorted into the Oval Office for photos.

VI. REMARKS

None required.

RM
Paper went
to HRC

JW
6/10

THE WALL STREET JOU

VOL. CCXXI NO. 111 ★★★ EASTERN EDITION WEDNESDAY, JUNE 9, 1993 WH

Shaky Statistic

Number of Uninsured Stirs Much Confusion In Health-Care Debate

It Ignores the Undercovered And Exaggerates Woes Of Some Lacking a Policy

Why a Mother Is So Worried

By Greg Steinmetz
Staff Reporter of The Wall Street Journal

The quality of a country's health-care system is usually judged by such statistics as life expectancy and infant-mortality rates. But the debate over health-care reform has been dominated by another statistic: the number of people uninsured.

That figure – 37 million – comes up in editorials, television interviews and presidential speeches. Pushing reform before a labor group in April, President Clinton cited the huge sums spent on health care vs. the number left uninsured. "We're spending 15% of our national income on health care with 37 million people uninsured," he said.

But what does the 37 million figure, which comes from the Census Bureau, really measure? Does the need to reduce it justify a complete overhaul of health care? Would a targeted approach be better?

A Deceptive Figure

A look behind the statistic shows that the "crisis" of the uninsured is both bigger and smaller than the figure indicates.

What's News—

* * *

Business and Finance

THE ADMINISTRATION unveiled a broad, tough agenda for trade talks with Japan, but decided to name Walter Mondale the ambassador to Japan as a way of lessening tension between the two countries. Japan had hoped for a high-profile appointee such as the former vice president, rather than a senior bureaucrat.

France dropped its opposition to an oilseeds accord between the EC and the U.S., ending a bitter trans-Atlantic dispute and boosting the prospects for a world trade agreement this year.

(Articles on Pages A3 and A9)

* * *

Clinton agreed to look for alternatives to his proposed BTU-based energy tax, Treasury Secretary Bentsen indicated, after Democrats warned the deficit-reduction program was in danger of being killed in the Senate.

(Article on Page A2)

* * *

Northwest Airlines faces a likely rejection from the machinists' union over a concessionary pact that throws into question the airline's plan to cut labor costs and defer debt payments.

(Article on Page A3)

* * *

Spending by foreign investors to acquire or establish businesses in the

World-Wide

* *

CLINTON'S PLANS ARE CRUMBLING for an expanded summer-jobs program.

Despite the president's original goal of making the job-creation program for youths a cornerstone of his investment strategy, the proposal has been drastically altered as the result of spending cuts approved by Congress. Cities that expected huge amounts of money for public-service jobs this summer are revamping their plans. The bottom line: This year's summer-jobs program will be only slightly larger than last year's $1.02 billion effort. (Article on Page A2)

The administration wants industry to help make up the shortfall. At a briefing today, Labor Secretary Reich again will ask companies to establish more than the one million jobs they provided last year.

* * *

Clinton is hesitating about naming Interior Secretary Babbitt to the Supreme Court as forces on both the political right and the left voice their objections. Environmental groups want Babbitt to remain at the Interior Department. (Article on Page A3)

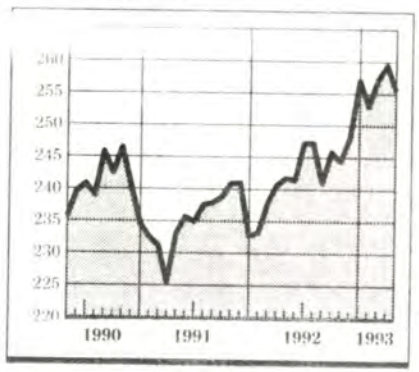
* * *

Haiti's Prime Minister Bazin resigned, and exiled President Aristide said he hoped the news could mean his return to Haiti "within the next few weeks or even days." The military, which appointed Bazin a year ago, remained firmly in control but didn't announce a new government. Military leaders have refused to restore democracy.

The U.S. government was ordered to immediately release more than 150 Haitians

Factory Shipments

In billions of dollars



FACTORY SHIPMENTS fell in April to $255.48 billion after seasonal adjustments, from a revised $259.38 billion in March, the Commerce Department reports.

Pariah in the South, William T. Sherman Is Getting a Makeover

* * *

The Man Who Burned Atlanta Had Many Fine Qualities; Civil War History, Revised

By Daniel Pearl
Staff Reporter of The Wall Street Journal

ATLANTA—"War is hell," William Tecumseh Sherman said. But what's really hell is trying to convince Southerners that Gen. Sherman wasn't such a bad guy after all.

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A Special Of Fe

CUSTOM provided to t

The Custo comb its rec traders who on imported Federation worked out p the process standardized database on include name imports from and individua

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A TRUST' advice are full

The sixth- is "a signal v says Bernard CPAs. These erally may de to the extent adjusted gros unique to the

A look behind the statistic shows that the "crisis" of the uninsured is both bigger and smaller than the figure indicates. Bigger because it fails to count people who have insurance but not enough of it and because it ignores "job lock" — the paralysis of people afraid to leave a job for fear of losing their insurance. Smaller because most of the uninsured are young, without coverage only briefly, and usually able to get care if needed — though often later than they should. "The number gives the impression that we have a bigger problem than we do," says Merrill Matthews of the National Center for Policy Analysis, a Dallas think tank working with Republican lawmakers on alternatives to the Clinton plan. "It makes it sound like there are 37 million without health care."

Others contend that the figure glosses over the failures of the health-care system. "That number has really distorted the debate," says Ron Pollack, executive director of Families USA, a consumer-advocacy group. "It's an inadequate figure, and there's a tremendous danger in using it."

He says a better number is 57 million, the total without health insurance at some point during the year. The underinsured, he adds, run into the tens of millions.

Living without insurance isn't a minor matter. Although an uninsured person who breaks an arm can get help in a hospital emergency room, someone needing long-term periodic treatment might not be so lucky. Studies show that people with hypertension and diabetes fare worse if they lack insurance, and parents without insurance are less likely to get their children immunized or treated for strep throat. In addition, costlier help, such as a hip replacement, is often denied the uninsured.

Moreover, living without health insurance can be a source of high anxiety. Paul Santaniello left his job as a stockbroker 15 months ago. Unable to qualify for low-cost group health insurance, he dropped his family's health insurance after monthly premiums jumped from $138 to $675 in January. His wife Dorothy worries most for her two daughters, age two and five. "I'm a wreck over it," she says. "I don't want to go out because I'm afraid something will happen."

According to Henry Aaron of the liberal-leaning Brookings Institution, the fear of falling into a similar situation explains why most people support a health-care overhaul. "They hear about these stories in the paper and on television, and they talk to their friends," he says. "If people weren't concerned [illegible]

* * *

Spending by foreign investors to acquire or establish businesses in the U.S. in 1992 fell for the fourth straight year, reflecting weak economic conditions in the U.S. and abroad. Foreign direct investment in the U.S. fell 47% last year to $13.5 billion, the lowest level since 1983's $8.09 billion.

(Article on Page A2)

* * *

The biggest cable TV companies are expected to sign a consent decree today to settle a federal suit alleging monopolistic practices that made the public captive through programming controls and discriminatory pricing.

(Article on Page A4)

* * *

USAir slashed its fare between Los Angeles and San Francisco 36% and United promptly matched the action, signaling another shuttle fare war.

(Article on Page B1)

* * *

Microsoft plans to introduce today software that provides a common language for office equipment. Dozens of office-equipment companies have pledged to use the software, which allows photocopiers, faxes, phones and other machines to talk to each other.

(Article on Page B1)

* * *

Visa USA and Sprint are planning to offer a 25% discount to the rates AT&T charges on long-distance phone calls made with calling cards.

(Article on Page B6)

* * *

Stocks and bonds dropped after the dollar slid to a postwar low against the yen. The Dow Jones Industrials fell 21.59 to 3510.54. The price of the Treasury's 30-year benchmark issue lost half a point. Its yield rose to 6.91%.

IBM easily sold $1.8 billion in notes and bonds, as investors apparently swept aside their concerns about the giant computer company's future.

(Articles on Pages C1 and C16)

* * *

A PaineWebber unit suddenly withdrew a suit filed against two ex-senior officials whom the firm had accused of luring away clients and employees.

[illegible] a new government. Military leaders have refused to restore democracy.

The U.S. government was ordered to immediately release more than 150 Haitians held at a U.S. naval base in Cuba. A federal judge in New York said the U.S. government's policy of indefinitely holding the Haitians, nearly all of whom have tested positive for the AIDS virus, is unconstitutional and violates their due process rights.

* * *

Peace mediator Lord Owen said that Europe should stop counting on U.S. ground troops to protect Bosnia's Muslims and help implement a peace plan. His comments underscored continued differences over Bosnia on the eve of talks between Secretary of State Christopher and European Community foreign ministers in Luxembourg.

British troops witnessed Muslim forces firing machine guns at fleeing Croat civilians in central Bosnia, U.N. [illegible] said. They [illegible] the U.N. soldiers then ordered the Muslim troops to lay down their weapons to avert a massacre. The incident occurred not far from Travnik, captured by Muslim forces yesterday.

* * *

The Vichy regime's police chief was shot to death in his Paris apartment, and police arrested a man who said he acted as an agent of God. The slaying of 84-year-old Rene Bousquet occurred on the verge of an expected trial for the former Nazi collaborator, accused of sending thousands of French Jews to their deaths in World War II.

* * *

The Air Force considers allegations that one of its generals ridiculed Clinton at an official function a serious matter that must be investigated, a Pentagon spokesman said. Maj. Gen. Harold Campbell reportedly made the comments in a May 24 speech.

* * *

German arsonists attacked houses occupied by foreigners in four different parts of the country, and 14 Turks were hospitalized, authorities said. Meanwhile, a regional chief of an anti-extremist watchdog agency acknowledged that his officials were largely helpless in trying to stop racist attacks.

* * *

A bomb exploded on a road to Egypt's Giza Pyramids, killing an Egyptian and injuring 14 other people, including five British tourists. The blast appeared to be the work of Muslim extremists, officials said.

* * *

Yeltsin's allies suggested the Russian leader might agree to delay the adoption of a constitution and instead help draft a temporary measure defining legislative and executive powers. (Related article on Page A9)

cumsen Sherman said. But what's really hell is trying to convince Southerners that Gen. Sherman wasn't such a bad guy after all.

In these parts, Gen. Sherman is about as popular as Lucifer. His soldiers, on their march to the sea, were known for murdering livestock and letting women and children starve. They shelled the state capitol building in Columbia, S.C., even after the town surrendered, local historians say. They stole heirlooms and reversed family fortunes. And Gen. Sherman burned Atlanta. In some circles, he is still "Attila the Yankee," or "That Redheaded Demon."

Yet, Gen. Sherman is getting an image makeover these days. Historians are telling Civil War clubs the Union general wasn't just a coldhearted pyromaniac, and Sherman sympathizers are preparing a humanizing novel and a screenplay.

Ohio troupes recently performed a choral work—"Sherman: Forced to War" —and a ballet that has him grieving over his son's death, helping to find homes for orphans, expressing affection for his troops. "I get the impression those 60,000 guys really did love him," says the ballet's creator, Liz Lerman.

And a new book, "Sherman: A Soldier's Passion for Order," says the general "hated bloodshed" and punished Southern civilians only because he thought it would end the war faster. The book says that Gen. Sherman got blamed for a lot of burning that was actually done by retreating Confederates and that he was polite about his plundering: When he coveted some Sir Walter Scott novels he had found in a Charleston, S.C., home, he took them — but only after promising to replace them with other books.

"I am not the heartless boar I am often represented," Gen. Sherman, himself, protested in a letter to a critic before marching to Savannah, a city he ended up sparing. John F. Marszalek, author of the Sherman book, agrees, saying the general deserved "respect, admiration and allegiance."

Gen. Sherman

But unreconstructed Southerners couldn't agree less. "Sherman is the greatest [illegible]

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For individ[illegible] investment ad[illegible] ees of the W[illegible] believed they [illegible] ducted the ful[illegible] said the 2% flo[illegible] agreed. But a[illegible] that ruling: [illegible] because it ster[illegible] tion and would [illegible] assets hadn't b[illegible]

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Businesses [illegible] life insurance [illegible] but an employe[illegible] from the cost [illegible] Many workers [illegible] coverage to es[illegible] must meet str[illegible] coverage tax-f[illegible] vidual selectio[illegible] favor some gro[illegible] IRS private ru[illegible] may let employ[illegible]

The unident[illegible] erage that is ba[illegible] of annual pay [illegible] amend its plan [illegible] age voluntarily [illegible] That's all right [illegible] coverage *availa*[illegible] be determined [illegible] satisfies IRS re[illegible] employer won't [illegible]

The ruling [illegible] receive cash [illegible] return for limi[illegible]

ALL THE K[illegible] that chiropract[illegible] Corbett, Ore., re[illegible] ing sideline. It [illegible] put together en[illegible] had a profit mot[illegible] can't deduct hi[illegible] offset his clinic's[illegible]

THE PAREN[illegible] who lived at ho[illegible] school can't clai[illegible] Tax Court says[illegible] county paid the [illegible] exceeded their s[illegible] the payment wa[illegible] could ignore in fi[illegible]

for her two daughters, age two and five. "I'm a wreck over it," she says. "I don't want to go out because I'm afraid something will happen."

According to Henry Aaron of the liberal-leaning Brookings Institution, the fear of falling into a similar situation explains why most people support a health-care overhaul. "They hear about these stories in the paper and on television, and they talk to their friends," he says. "If people weren't concerned about it happening to them, there would be less interest in reform."

Statistical Problems

Although the Census Bureau is supposed to tally the number uninsured for a full year, it acknowledges that some respondents might lack insurance for a shorter time. Researchers say the number represents the total without coverage at the time they are asked.

One thing about the 37 million uninsured is clear: They represent gaps in the insurance system that can seem arbitrary. For example, most employees of large companies get employer-provided insurance, but many at small companies don't. All 35.2 million people 65 or over, even if wealthy, are covered by Medicare. And the very poor are covered, through Medicaid, which insures 23.2 million people (mostly women and children).

Thus the uninsured tend to be the working poor. According to the Washington-based Employee Benefits Research Institute, 85% of the uninsured live in households headed by a worker, but more than half are in families with incomes below $20,000 a year. A third meet federal poverty definitions, but they are not so poor that they qualify for Medicaid. Indeed, a factor in being uninsured is state eligibility requirements for Medicaid. In Alabama, a state with tough standards, 20.5% of all residents are uninsured, while in Pennsylvania, a state with easier standards, the figure is less than 10%.

Along with income, another major determinant in being uninsured is age. Some 11.1 million of the uninsured are age 18 to 29, and generally need less health care, while only 2.6 million are 55 or older. Yet about 9.5 million are children, who are

Please Turn to Page A7, Column 1

IBM easily sold $1.6 billion in notes and bonds, as investors apparently swept aside their concerns about the giant computer company's future.

(Articles on Pages C1 and C16)

* * *

A PaineWebber unit suddenly withdrew a suit filed against two ex-senior officials whom the firm had accused of luring away clients and employees.

(Article on Page A4)

* * *

Rockwell International announced a reshuffling that appears to move Kent Black in line to eventually succeed Donald Beall as chairman.

(Article on Page B3)

Markets—

* * *

Stocks: Volume 238,087,810 shares. Dow Jones industrials 3510.54, off 21.59; transportation 1551.60, off 25.12; utilities 240.99, off 0.75.

Bonds: Lehman Brothers Treasury index 5109.95, off 19.17.

Commodities: Oil $19.65 a barrel, up 11 cents. Dow Jones futures index 120.45, off 0.66; spot index 120.39, off 0.18.

Dollar: 106.40 yen, off 0.80; 1.6245 marks, up 0.0040.

A bomb exploded [illegible] Giza Pyramids, killing an Egyptian and injuring 14 other people, including five British tourists. The blast appeared to be the work of Muslim extremists, officials said.

* * *

Yeltsin's allies suggested the Russian leader might agree to delay the adoption of a constitution and instead help draft a temporary measure defining legislative and executive powers. (Related article on Page A9)

* * *

The Khmer Rouge vowed that it would renew fighting if the Phnom Penh government doesn't yield power to the winner of Cambodia's elections. The rebels hinted they would back Prince Ranariddh's party, which won last month's vote.

* * *

Arab states and Israel accepted a U.S. invitation to resume Middle East peace [illegible] on Tuesday, the State Department said. The session will be the 10th round of Mideast talks since they were launched in October 1991.

* * *

Crown Prince Naruhito married a Japanese commoner and former diplomat, Masako Owada, in a ceremony at the Imperial Palace. The prince is the heir to Japan's 1,500-year-old Chrysanthemum Throne.

book, agrees, saying the general deserved "respect, admiration and allegiance."

But unreconstructed Southerners couldn't agree less. "Sherman is the greatest argume because if there is no hell, whe T. Sherman?" says Gordon C tor of the Old Court House Vicksburg, Miss. James W. T Civil War buff in Jackson, Mis Sherman an "absolute barb says it's a "disgrace" that D teaches history at Mississipp versity. Tom Watson Brown attorney, says that Gen. She war criminal and that his defe bly "have a streak of hooligar too—brigandage, vandalism.

Gen.

Ironically, Gen. Sherm loved the South, even thou native of Lancaster, Ohio. H shoulders with many future at West Point. Before the sipped tea with Southerne

Please Turn to Page A5,

TODAY'S CONTENTS

THE INDEX TO BUSINESSES APPEARS ON PAGE B2

THREE SECTIONS

Abreast of the Market	C2	Leisure & Arts	A10
Amex Stocks	C9	Listed Options	C11
Bond Data Bank	C14	Marketing & Media	B6
CBOE Int. Options	C2	Money Rates	C21
Commodities	C12,13	Mutual Funds	C18
Credit Markets	C16	Nasdaq Stocks	C6
Dividend News	A7	New Securities Issues	B3
DJ US Indstry Groups	C6	NYSE/Amex Bonds	C14
DJ World Stock Index	C10	NYSE Highs & Lows	C21
Earnings Digest	A7	NYSE Stocks	C3
Economy	A2	Odd-Lot Trading	C21
Editorials	A12,13	OTC Focus	C6
Enterprise	B2	Politics & Policy	A14
Foreign Exchange	C13	Stock Data Bank	C2
Heard on the Street	C2	Technology	B1,8
Index Options	C13	Treas./Govt. Issues	C15
International News	A8,9	Who's News	B3
Law	B3	World Markets	C10

Directory of Services/Subscription Information B

Classified: The Mart B6-7

CORPORATE Focus

EXECUTIVE LIFE: Plans to resolve the insurer's failure are running into new objections from its top policyholder group. **Page B4.**

HEARD ON THE STREET: Seagram is seen as cheap bet on recovery, **C2.**

MONEY & INVESTING: Allen & Co.'s Hollywood connections, **C1.**

WORKPLACE: Women's pay continues to lag behind men's, **B1.**

POLITICS & POLICY: Clint few friends in the media,

MEDICINE: Some progress in race for HIV drug, **B8.**

INTERNATIONAL: Robots Palestinians on Israeli fa

REVIEW & OUTLOOK: Mo in Clinton's future, A12.

OPINION: Robert Bartley Mexico's war on drugs, A

LEISURE & ARTS: Profile entrepreneurial cabaret s

Shaky Statistic: Number of Uninsured Is Causing Confusion

Continued From First Page

perhaps most in need of preventive care.

Another issue concerns how long the uninsured go uncovered. Nearly two-thirds of them lack insurance less than a year; only 15% to 18% are out more than two years, according to Katherine Swartz, an economist at the Harvard School of Public Health. So the uninsured are an ever-changing rather than a chronically neglected group.

"A lot of these people are between jobs," said William Niskanen of the conservative Cato Institute, a Washington think tank. Or they have just begun one. In fact, 73% of employees covered by health insurance work for companies that require a waiting period – an average of three months – before extending such benefits to a new hire, according to the Health Insurance Association of America.

The desire to circumvent coverage gaps makes for ridiculous problems. Last year, doctors told Mary Bingamon, a 38-year-old living in Cushing, Okla., that her lung capacity was shrinking. Calling her situation life-threatening, they told the mother of four to begin taking medication that costs nearly $500 a month. She had no health insurance because, given her medical history, she couldn't afford it. Medicaid seemed the only solution. But because her husband, Paul, made $2,000 a month as a truck driver, she could qualify only by legally separating from her husband.

So, he is living with his sister in another part of town, and Medicaid pays for his wife's prescriptions. Welfare, food stamps and his child-support checks pay household bills. "We've been happily married for 23 years," Mrs. Bingamon says. "It wasn't us who wanted to separate."

Recession's Impact

Such stories fill the rhetoric of Hillary Rodham Clinton and stimulate interest in health-care reform. So did the recent recession. In 1988, before it began, about 32 million lacked insurance – 15.9% of Americans under age 65. Then the recession, coupled with surging health-care costs, sparked layoffs and cutbacks in employee benefits. The current figure of 37 million, now growing about 100,000 a month, is 16.7% of the nonelderly population.

Although many uninsured are people such as Mary Bingamon, many others are young, single people who lack insurance out of choice. Their status has nothing to do with being denied coverage and everything to do with priorities. Insurance costs too much, and the risks seem tolerable.

Not that the risk always pays off. Timothy McCoy, who manages a cafe in Manhattan, decided to drop his $300-a-month health insurance when he was 29 and go without it. "It was almost equal to my rent, and it seemed absurd," he says. For years, he also skipped going to the dentist, only to be told when he finally did go that he needed root-canal work and a few fillings. He paid the $3,000 bill himself.

Then his back began to hurt so much that he quit his job. A doctor told him he needed surgery, but, because he had no way of paying, he tried a chiropractor – to no avail. Finally, out of desperation, he checked into a hospital emergency room. He ultimately had an operation for a herniated disk – and was surprised that the hospital absorbed the $20,000 cost. Mr. McCoy, now 34 and earning $30,000 a year, is still without insurance; he finds it too expensive. "If I got a raise, then it would be a priority," he says.

By law, hospitals must at least stabilize anyone checking into an emergency room. According to the American Hospital Association, hospitals absorb $10 billion a year in care for the uninsured.

Even people only temporarily uninsured are at risk, says Ms. Swartz at Harvard. She says a brief loss of insurance can cause a problem because it can mean having to reapply. The applicant might regain coverage, but not for a pre-existing condition – the very ailment for which the applicant most needs coverage. People can "technically have health insurance but not for what they need it for," she says.

The Underinsured

Also at risk are the underinsured. Lloyd Anstey, 64, retired three years ago on $27,000 a year from investments. His health-insurance costs $5,400 a year, with a $5,000 deductible. A heart-attack survivor and a diabetic, he skips regular check-ups because he can't afford them. In a year, he will be old enough for Medicare, "so I'll sweat it out," he says.

Minnesota is one of the few states trying to cover the uninsured. Rather than trying to provide for everybody, it takes the diverse composition of the group into account and covers only what it considers the neediest segments.

When the plan, called MinnesotaCare, is fully phased in next year, it will insure only people earning less than 275% of federally defined poverty – $39,360 for a family of four in Minnesota – but exclude those who had health insurance in the preceding four months. And because people might be tempted to give up company-sponsored insurance to get potentially more generous care from the state, the plan excludes people who had company coverage in the past 18 months. The plan, funded by a tax on hospitals, doctors and other health-care providers, is expected to cover 180,000 people by 1997 at an annual cost of $337 million.

Because Minnesota has already addressed the choices faced by the administration, the plan has caught the eye of the White House. However, the administration would prefer a more sweeping program. Instead of a targeted approach, officials are discussing extending coverage to all 37 million uninsured as early as 1996. The money would come from tax increases and savings due to reining in medical spending. The administration would curb costs by stepping up competition among insurers, doctors, hospitals and drug companies through "managed competition."

Sidney Wolfe of Public Citizen, a consumer-advocacy group, argues that the

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Fleetwood Enter
FlightSafety Intl
Fluor Corp
Frisch's Restrnt
Graphic Industri
Indep Square Inc
NewHampshireT
Paramount Com
Premier Industri
Rowe Furniture
Santander Over p
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Selas Corp Amer
Shared Medical S
Star Banc Corp
TJX Companies
TJX Cos pfd C
Telephone&Data
Tescorp 10%pf
Tranzonic Cos clA
Tranzonic Cos clB
Trinity Indus
Uni-Marts Inc clA
Varity Corp pfA
Western Gas Resc
WstnGasRes $2.28

Alden (John) Finl
BEI Holdings Ltd
Hayes Wheels Intl

FUNDS -

Amer Capital Bd F
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CRI Liquid REIT
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capital and $.21
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Liberty Term Tr'9
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Sidney Wolfe of Public Citizen, a consumer-advocacy group, argues that the uninsured might never get covered under the Clinton plan because the savings under managed competition would be too small. Dr. Wolfe says the government could get the savings it seeks by introducing a Canadian-style system. In Canada, the government is the sole payer for health care – eliminating insurance companies and the high administrative costs – and uses its leverage to extract better deals from doctors and hospitals.

Conservatives object to both the Clinton and Canadian plans as unworkable. The Cato Institute's Mr. Niskanen believes all but a small segment of the 37 million could be covered by making insurance cheaper. He says a simple method would be to give consumers, rather than corporations, tax breaks on medical care.

The vehicle would be "medical IRAs"; contributions would be tax-deductible and could be withdrawn to pay for routine care. Companies could continue to buy their workers coverage for catastrophic events. Those who still can't afford insurance could be given vouchers enabling them to buy coverage, just as food stamps enable the poor to buy groceries.

CORPORATE DIVIDEND NEWS

Dividends Reported June 8

Company	Period	Amt.	Payable date	Record date
REGULAR				
Centrl Jersey Finl	Q	.09	6–30–93	6–22
Chesapeake Corp	Q	.18	8–13–93	7–19
Cincinnati Bell	Q	.20	8– 2–93	7– 7
Fedl Home Loan pfd	Q	.49⅜	6–30–93	6–15
Fed Home Loan Mtg	Q	.22	6–30–93	6–15
1stLibertyFin pfA	Q	.484⅜	7– 1–93	6–15
Fleetwood Enterp	Q	.12½	8–11–93	7– 2
FlightSafety Intl	Q	.09	8– 5–93	7–15
Fluor Corp	Q	.12	7–13–93	6–22
Frisch's Restrnts	Q	.06	7– 9–93	6–29
Graphic Industries	Q	.01¾	7– 7–93	6–22
Indep Square Inco	M	.12	6–30–93	6–22
NewHampshireThrift	Q	.10	7–19–93	6–25
Paramount Communic	Q	.20	7– 1–93	6–18
Premier Industrial	Q	.09	7– 9–93	6–23
Rowe Furniture	Q	.03	7–15–93	6–25
Santander Over pfA	Q	.66⅓	6–30–93	6–16
Santander Over pfB	Q	.54⅜	6–30–93	6–16
Santander Over pfC	Q	.56	6–30–93	6–16
Seaboard Corp	Q	.12½	6–30–93	6–18
Selas Corp Amer	Q	.05	6–30–93	6–22
Shared Medical Sys	Q	.21	7–15–93	6–30
Star Banc Corp	Q	.29	7–15–93	6–30
TJX Companies	Q	.12½	9– 2–93	8–12
TJX Cos pfd C	Q	.78⅛	7– 1–93	6–18
Telephone&Data Sys	Q	.08½	6–30–93	6–18
Tescorp 10%pf	Q	.12½	7– 9–93	6–25
Tranzonic Cos clA	Q	.04½	7–16–93	6–22
Tranzonic Cos clB	Q	.08½	7–16–93	6–22
Trinity Indus	Q	.20	7–30–93	7–15
Uni-Marts Inc clA	Q	.02½	7–21–93	6–29
Varity Corp pfA	Q	.32½	7–30–93	6–30
Western Gas Resour	Q	.05	8–13–93	6–30
WstnGasRes $2.28pf	Q	.57	8–13–93	6–30
IRREGULAR				
Alden (John) Finl	–	.06	7–20–93	6–30
BEI Holdings Ltd	–	.05	7–15–93	6–30
Haves Wheels Intl	–	.01½	7– 7–93	6–16
FUNDS - REITS - INVESTMENT COS - LPS				
Amer Capital Bd Fd	Q	h.0385	6–30–93	6–18
AmerCap Inco Tr	M	h.06⅜	6–30–93	6–18
CRI Liquid REIT	Q	n.97	6–30–93	6–18
n-Represents $.16 from capital gains, $.60 from return of capital and $.21 from income.				
EqtyInc1stExAT&T	M	.22505	7– 1–93	6–15
Hatteras Inco Secs	M	.12	6–30–93	6–18
Liberty Term Tr'99	M	.06	7– 1–93	6–23
ManagedHiIncoPort	M	.096	6–30–93	6–23
Municipal HI Inco	M			

Company	Period	Amount	Payable date	Record date
STOCK				
Bed Bath & Beyond	nn		7– 8–93	6–21
nn-Two-for-one stock split.				
Mr Rooter Corp	vv		6–14–93	6–14
vv-One-for-two reverse stock split.				
Smith(AO) Corp	pp		8–16–93	7–30
pp-Two-for-one stock split.				
Smith(AO)Corp clA	vv		8–16–93	7–30
vv-Two-for-one stock split.				
TriMas Corp	rr		7– 6–93	6–18
rr-Two-for-one stock split				
INCREASED		--Amounts-- New	Old	
Kimball Intl clB	Q	.21	.19	7–15–93	6–25
Smith(AO) Corp	Q	.22	.20	8–16–93	7–30
Smith(AO)Corp clA	Q	.22	.20	8–16–93	7–30
FOREIGN				
Aust&NZBkng 9 1/8%	–	.57031		6–30–93	6–15
Natl Australia Bk	–	t.8316		7–30–93	6–17
RTZ Corp PLC ADR	–	t1.042		8–23–93	6–17
Total ADR B shr	–	t.971		7–30–93	6–14
INITIAL				
Intl Bus Mach dep	–	12½	7– 1–93	6–16
Live Entertain pfB	–	.12½	7– 1–93	6–18
OMITTED				
KewauneeScientific				

A-Annual; b-Payable in Canadian funds; h-From Income; k-From capital gains; M-Monthly; Q-Quarterly; S-Semi-annual; t-Approximate U.S. dollar amount per American Depositary Receipt/Share.

* * *

Stocks Ex-Dividend June 10

Company	Amount	Company	Amount
Ametek Inc	.17	Metro Ed pfJ	2.08
Bk Utd of Tex pfA	.63¼	Nashua Corp	.18
Baroid Corp	.05	New Amer HI Inco	.04
BlockBuster Entert	.02½	No Ind PS adjpfA	.75
Carolina P&L $5pf	1.25	Patriot Prem Div I	.0667
ChemicalWaste Mgmt	.05	PitneyBow$2.12pref	.53
Del Labs Inc	.07½	QuestValDlPurpInco	.10
E'Town Corp	.50	Reebok Intl Ltd	.07½
General Housewares	.08	Santander Over pfA	.66½
Haves Wheels Intl	.01½	Santander Over pfB	.54⅜
Home Depot new	.03	Santander Over pfC	.56
		Stanhome Inc	

THE PRESIDENT HAS SEEN 7/28

Nancy Ann Min

MEDICAL ASSOCIATION OF GEORGIA

URGENT PHYSICIAN LETTER

Monday, July 12, 1993

Dear Colleagues:

In Georgia, and across America, it's no longer an issue of "health care reform," it's **"health care war."**

Both in Georgia and nationally, health system reform packages are expected to be unveiled before the end of the year. Therefore, the time is short and the task is great for clearly marking the "health care reform" battle lines.

As Georgia physicians, we are past the point of being reactive. **It is now time to take the offensive.**

MAG WANTS YOU to help fund a statewide public and patient education and information campaign so your patients will be protected from drastic, negative changes in the delivery of their health care.

Our political battle strategy is to change the health system reform battlefield from the political arena to the public/patient arena. Our goal is to counter **radical** health system reform proposals by delivering **straightforward** facts to the public and our patients. Additionally, since health care in America is the best in the world, we want to make sure that the focus of any health reform is on access and cost, not on watering down or rationing the quality of the best physician-patient care in the world.

> To bolster our sentiment, we would like to note that a recent public opinion survey found an overwhelming **74 percent** of the public want to know what their doctors think about current health system reform proposals.

Therefore, at the heart of our public education and information campaign will be the Medical Association of Georgia's own ***Physician Prescription for Georgia*** (Rx for GA), a health system improvement plan to address health accessibility for all Georgians, lower health costs for all Georgians, less insurance/bureaucratic harassment and tort reform.

After all, when Georgians are sick, they want to be treated by physicians, not politicians and bureaucrats. Additionally, our ***Physician Prescription For Georgia*** plan will clearly address the crucial question of any plan calling for health system reform:

[redacted]

To whom should the physicians of Georgia be accountable: our patients or the government?

For $200 (approximately the cost of a "Presidential haircut") you can help take our physician message to the people of Georgia.

To fund this education and information campaign, the Medical Association of Georgia is asking you and every physician and Alliance member to make a **minimum voluntary contribution of $200.** This is not a political contribution and you can make it from either business, corporate or personal accounts and/or with your MasterCard or Visa credit cards. A reply envelope is attached with this letter for your convenience.

MAG will be presenting our ***Physician Prescription for Georgia*** health system improvement plan to the Governor's Commission on Health Care (the Jenkins Commission) later this summer. At that time, we plan to launch our public education and information campaign with a combination of radio, TV and newspaper ads. We will also kickoff our voluntary programs for direct communications between Georgia physicians, their patients and local communities.

We all know Georgia's physicians strongly support improving our state's health system – but not by destroying it through radical change. The current cries from politicians and bureaucrats for a completely overhauled "health care reform" are woefully misdirected and will inevitably lead to less medical coverage, a lower standard of medical quality, higher costs and a government assigned doctor.

Please help get the word out to Georgians before it's too late. We will have nobody to blame but ourselves if our patients become uninformed "wards of the state."

Finally, the question is not can you afford to get involved? Rather, can you afford not to? Respond immediately with your $200 contribution to help launch MAG's public education and information campaign.

Sincerely,

Roy Vandiver M.D. Sandra W. Brown John S. Antalis, MD

Roy W. Vandiver, MD
President, MAG

Sandra Brown
President, MAG Alliance

John S. Antalis, MD
Chairman, MAG PR Committee

P.S. Please also fill out and return the enclosed physician DRAFT CARD and health system reform survey. Your comments and participation are critical to the success of this program. For additional information, please contact: Priscilla Daves (404) 876-7535, ext#240.

938 PEACHTREE STREET, N.E. • ATLANTA, GEORGIA 30309-3990 (404) 876-7535

THE PRESIDENT HAS SEEN 7/23

JIMMY CARTER

July 12, 1993 Lindsey Copied RW

To President Bill Clinton

I understand that Judge William Wilkins has suggested United States District Judge Peter Beer as a possible successor to his position as Chairman of the United States Sentencing Commission. Having appointed Judge Beer U.S. District Judge for Eastern Louisiana in 1979, I am well aware of his achievements and his highly principled judicial skills.

I am pleased to join his colleagues in recommending Judge Beer for your consideration as Chairman of the U.S. Sentencing Commission.

Sincerely,

Jimmy Carter

The Honorable Bill Clinton
The President
The White House
Washington, D.C. 20500-2000

PHOTOCOPY
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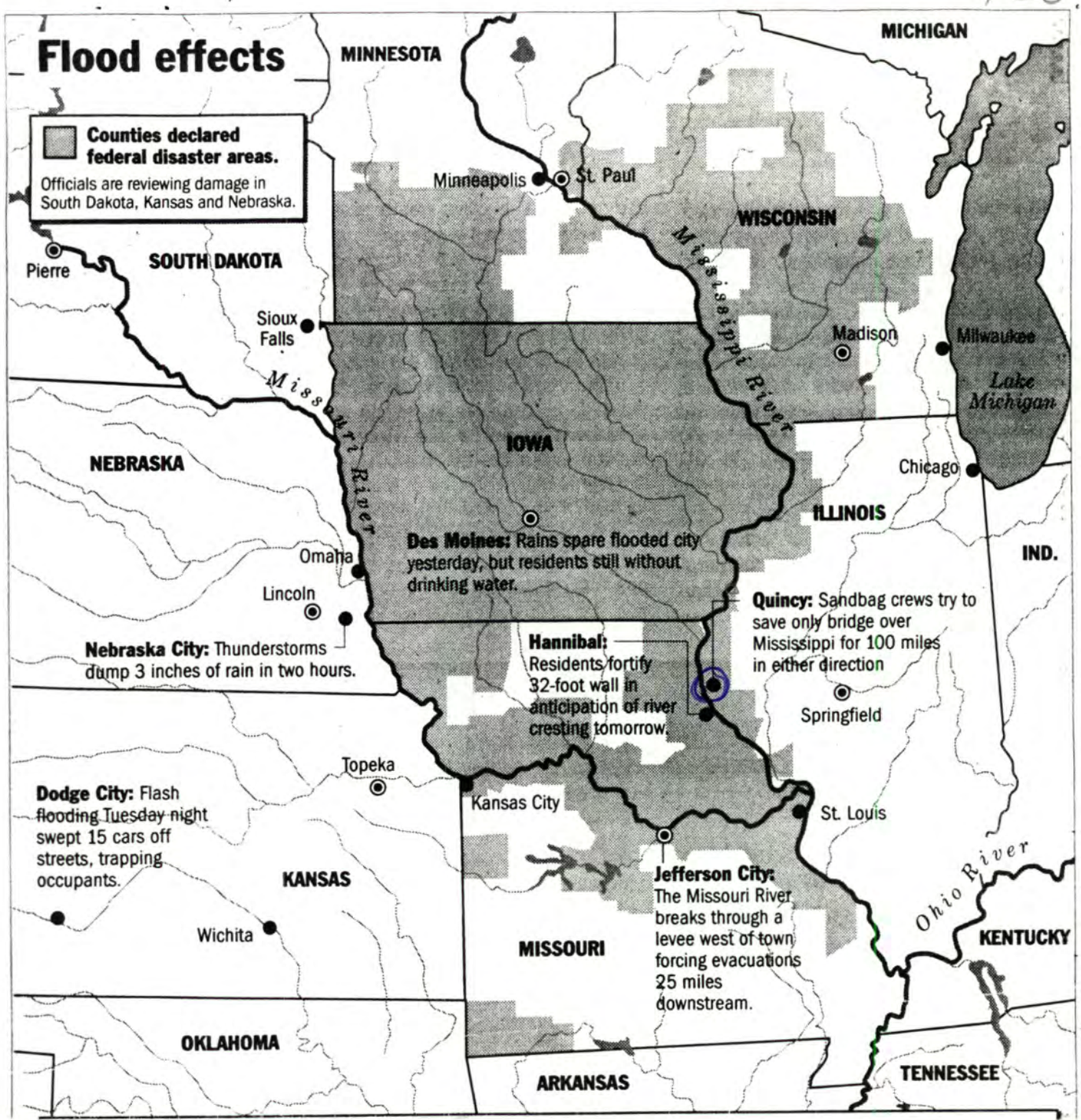
PHOTOCOPY
WJC HANDWRITING

Flood effects



ILLINOIS
Deaths: 3
Estimated property damage: Billions of dollars.
Estimated crop loss: About $410 million. (Does not include Tuesday night's levee breach at Indian Grave.)
Evacuations: 10,200 people.
Homes damaged: 6,000.

IOWA
Estimated property damage: More than $1 billion, including at least $750 million in crops, $21 million damage to homes, $3 million to businesses. Des Moines alone, $253 million.
Evacuations: At least 6,000 people.

KENTUCKY
Estimated crop loss: About $4.9 million.

MINNESOTA
Deaths: 3
Estimated property damage: $8 million to public property, including roads, bridges, utilities and parks. Figures unavailable for private property.
Estimated crop loss: $500 million to $750 million.
Number of homes damaged: About 10,000 affected by flooding. About 800 received moderate damage; 75-125 received major damage.

MISSOURI
Deaths: 13
Estimated property damage: Estimated $500 million to $1 billion
Estimated crop loss: Estimated tens of millions.
Evacuations: 15,000 people, although some are beginning to go back.

NEBRASKA
Deaths: 1
Estimated property damage: More than $50 million
Estimated crop loss: More than $117 million

SOUTH DAKOTA
Deaths: 1
Estimated property damage: $8.1 million (public property only).
Estimated crop loss: $572.4 million.
Evacuations: Statewide estimate unavailable, but 2,000 people in Madison on July 3.
Number of homes damaged: 960; 10 destroyed.

WISCONSIN
Deaths: 1
Estimated property damage: $131 million.
Estimated crop loss: $125 million.
Evacuations: Between 500 and 700 people
Homes damaged: 1,590.

SOURCE: Associated Press

GLOBE STAFF MAP

8 p.m Fabius Levee Broke @ Bay view
across River Quincy - Bridge Access & Rail Flood
@ West Quincy

Commercial Blocked
Broken Surprise

14,000 acres of farmland flooded

Access to the only bridge is closed
Only East West link for 200 miles

Small Community near Hannibal
that has been Evacuated

Flooding on Missouri Side

Pike County So. of Quincy is all
Shell fattening 50 miles

11' Sny Island Drainage Dist - 3 rail Lgth
in County 119,000 Acres Ag x 9 coma

West Quincy

Bay View	All Quincy Pike County	Mississippi West Quincy levee	11'3 Bridge
		Flooded 41 K acres soy + corn	
		Families evacuated	

Levy Broke + water pushed over tank @ gas station
in West Quincy, big fire - fire out,

THE WHITE HOUSE

WASHINGTON

Rod Gadson

Transcripts

- ① Gos
- ② Cabinet
- ③ Cory-Jim.

Next Gd

- trip
- activation of troops
- ① Delivery

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PHOTOCOPY
W.JC HANDWRITING

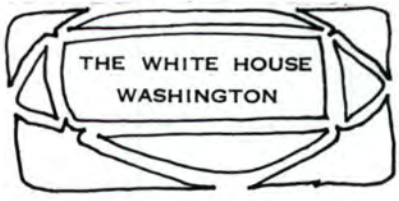
THE WHITE HOUSE
WASHINGTON

*Blank Lawn
Coop / Floor

Cameron

Commerce

Explain



Gov. Miller
was seeking
recognition.

THE WHITE HOUSE
WASHINGTON

WGEM
Quincy
* Nat'l Guard — tried
* activating troops

LT Congressional
Reiss

2nd Black South Suburb

* Local Media [PD] NN

Flood Aid — Crop Ins.

BC
cc HRC

Cynthia and Bud Yorkin

July 27, 1993

President and Mrs. Bill Clinton
THE WHITE HOUSE
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President and Mrs. Clinton:

We wanted this letter to be about all the wonderful things you're accomplishing -- Tokyo, your choices of Elder and Ginsberg and your L.A. visit, Hillary, but the tragic news of your dear friend overshadows everything. We can only extend our heartfelt sympathy for your loss and just let you know we're thinking of you both.

We can imagine the pressures you're under and your need for solitude. Just know that Sun Valley is always there for a family retreat. A small add-on for the baby will be finished by August 28. So, anytime after that is available to you.

Warmest regards,

Bud Cynthia

Bud and Cynthia

250 Delfern Drive
Los Angeles, California 90077

Memo

— Alonzo Williams gave this to me - would help w/ USDA getting grant

— Ms Loch info - have someone initial contact w/ Alonzo

B.

A "Handbook for Action"

Bill Clinton, Chairman

Lower Mississippi Delta
Development Commission
Final Report

THE STRENGTH OF AMERICA:

THE ACTION BEGINS

A PROPOSAL TO FUND THE DELTA INTERNATIONAL TRADE INSTITUTE, INC.

28 July 1993

PREPARED BY

DEDRICK BRITTENUM, JR., ESQ.
RICHARD J. MYERS, ESQ.

REVISED FEBRUARY, 1994

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Fax (901) 576-8250

TABLE OF CONTENTS

Abstract 1

Introduction 2

The Report's Recommendation 4

The Delta Institute 8

The Delta Institute's Structure 10

- Board of Directors 10
- Executive Director 10
- Research and Marketing Units 11
- Budget 13

Conclusion 15

Projected 3 Year Budget 16

Organization Chart 17

The Delta Region 18

The Mid-South and The World 19

Appendix - I, Reference 20

ABSTRACT

The following is a grant proposal for funding the Delta International Trade Institute, Inc. (the Delta Institute). The Delta Institute's primary mission will be to implement, in a comprehensive manner, certain key recommendations set forth in the Final Report of the Lower Mississippi Delta Development Commission. Specifically, the Delta Institute is a research development and marketing entity that will accumulate knowledge of the Delta region's products and potential and strategically employ that knowledge for the penetration of foreign markets. The Delta Institute is a not for profit corporation that will act for the benefit of the Delta region's businesses, particularly its small and historically underutilized businesses. The institute is located in the Delta's heart and commercial center, Memphis, Tennessee.

I. INTRODUCTION

It seems to be a Rule of History that great waterways nurture the growth of great civilizations. The River serves as the natural source of crucial advantages such as a sure food supply, water for the irrigation of crops and an avenue for transportation and trade. The River is the backbone that enables its sovereign to stand upright and step forward into its future.

Perhaps it was the recognition of this Rule that motivated Daniel Webster to state "Ere long the strength of America will be in the valley of the Mississippi." One hundred fifty years have elapsed, however, without the fulfillment of Webster's dream. The Mississippi Delta Region is, statistically, America's poorest region: per capita income is 2/3 of the national average, infant mortality rates are on par with those in the Third World and industrial technology lags a decade behind that in other regions.[1] America wonders whether the Delta Region is one exception to the Rule or whether patience should be afforded Webster's prescience.

In October of 1988, Public Law 100-460 established and empowered the Lower Mississippi Delta Development Commission to study and make recommendations regarding economic needs, problems and opportunities in the region and to develop a ten-year regional economic development plan. The targeted area was defined to include the 219 counties in Tennessee, Arkansas, Mississippi, Louisiana, Missouri, Illinois and Kentucky that are generally

adjacent to the Mississippi River. The Commission's chairman was then-Governor Bill Clinton.

On May 14, 1990 the Commission issued its Final Report. The Report was structured to focus on four general topics: Human Capital Development, Natural and Physical Assets, Private Enterprise and the Environment. Issues within each topic were then identified in the Report. Lastly, each issue was accompanied by a ten-year goal statement and recommendations for the achievement of that goal.

Ultimately, the Report sets forth a strategic plan for the development and regeneration of the Delta Region. The Report envisions an approach to overcoming the region's difficulties which is comprehensive, holistic and which transcends states' borders. The essential goal of the plan, the Report and the Delta Commission was and is to make the region and its citizens "full partners" in creating the nation's best possible future by the dawn of the next millennium.[2]

In the words of then-Chairman Clinton, the Report constitutes a "Handbook for Action."[3] It is a "trumpeting call" by and to the Delta citizenry to begin their arduous task of creation. The citizenry are challenged to pick up the Report, "see what he or she can do to help" and join the "Vanguard of Change."[4] We have heard the trumpet, we have accepted the challenge, we see what Webster saw and, so, we propose funding the Delta International Trade Institute, Inc.

II. THE REPORT'S RECOMMENDATIONS

We glean from the Report that many difficulties facing this region can be solved through the generation of wealth. Along with then-Chairman Clinton, we recognize that this region is an "enormous, untapped resource" and that if its potential is fulfilled considerable wealth will be generated.[5] We concur in the implication that its potential can be fulfilled if the region is repositioned to take advantage of the emerging global economy and is focused outward toward new opportunities in foreign markets. We further concur that the success of this effort depends upon the accumulation of specific knowledge and the strategic employment of that knowledge to expand global markets.

THE AGRICULTURAL RESOURCE

The Report devotes particular attention to the agricultural sector as the region's largest producer of new wealth. The Report emphasizes that a vibrant agricultural sector should serve as an "important foundation for building the future health of the region's economy."[6] That foundation's potential strength and vibrancy only increases with the successful completion of the Uruguay Round of the General Agreement on Tariffs and Trade. Success in lowering barriers to America's agricultural exports will be the first step toward fulfilling this region's potential.

In anticipation of new opportunities in foreign markets, the Report generally recommends that this region diversify its

agricultural output through alternative crops and the promotion of value-added industries. The Report recommends these endeavors be linked to the creation of innovative marketing strategies. The Report also recommends creating such strategies for the region's existing, undermarketed products.

Specifically, and as a first step, the Report recommends accumulating the requisite knowledge. It recommends creating a database of potential value-added industries in the Delta and a database for the latest agricultural technology pertinent to the region.[7] The Report also recommends pursuing research programs exploring the domestic and international marketing of, among other things, the region's alternative crops, forestry products and mineral resources.[8]

Secondly, the Report recommends the strategic employment of that accumulated knowledge. It recommends that vehicles for the marketing of alternative crops and existing products be established.[9] It further recommends establishing vehicles for the dispensing of cutting-edge technology and information on the potential of alternative crops, including aquaculture.[10]

THE BUSINESS AND INDUSTRIAL RESOURCE

Upon a sturdy agricultural foundation, the Report recommends building the key to the region's long-term growth and progress: a strong business and industrial sector.[11] The Report emphasizes expanding value-added industries and developing industries unique to the Delta Region.[12] The Report devotes considerable attention,

moreover, to the critical need for the accumulation of knowledge and its strategic employment in developing this sector.

The Report's most significant knowledge-accumulating recommendation is the Regional Cross-Match Program.[13] As explained in the Report, this program entails creating a database of the Region's manufacturing inputs and outputs in an effort to match producers of goods and services with buyers in a manner that best identifies and responds to existing market voids. The database would furnish detailed and precise information on potential markets for finished products and potential suppliers for processing inputs. The database would also enable:

(1) the identification of regional capabilities for future development of the manufacturing sector;

(2) identification of export trade opportunities and potential overseas markets; and

(3) the creation of strategies for effectively promoting and marketing the region's products.[14]

The Report further recommends that the program and its database be housed in one location and that it should seek to coordinate and expand existing local cross-match efforts into a Delta effort.[15]

The Report then makes numerous recommendations that are designed to employ the knowledge gained through the Cross-Match Program. Generally, these recommendations focus on facilitating the penetration of foreign markets by regional businesses. The Report recommends establishing an entity that will offer technical assistance in marketing, organize trade missions and sponsor regional advertising campaigns.[16] It also recommends establishing an International Business Education Center that will provide

assistance to Delta businesses seeking to enter international markets. Said Center would also conduct research on regional competitiveness.[17]

Lastly, the Report recommends that special efforts be made to expand the role of historically underutilized and small businesses in international trade. The Report highlights the necessity of tapping the potential of both.[18]

SUMMARY

In short, the Report sets forth a comprehensive plan designed to generate wealth in the Delta Region. The Report envisions strengthening the region's agricultural foundation through diversification of products and innovative marketing strategies. It further envisions building a strong business and industrial sector on that foundation. The Report recommends accumulating knowledge of the region's products and potentials and then strategically employing that knowledge for the penetration of global markets.

We believe that the Report's recommendations are sound. We also believe that many must be implemented if the Delta Region is to realize its full potential. We contend that one entity empowered to both accumulate and strategically employ the requisite knowledge would be the most efficient and effective means for implementing these recommendations. We believe that entity is the Delta International Trade Institute, Inc.

III. THE DELTA INSTITUTE

The Delta International Trade Institute, Inc. (the "Delta Institute") is a Tennessee not for profit 501c(3) corporation chartered in May of 1993. The Delta Institute's general mission will be to implement, in a comprehensive manner, certain key Report recommendations. Specifically, the Delta Institute will be the accumulator of knowledge necessary for the economic development of the Delta Region and the strategic employer of that knowledge. It will be the entity that implements the Cross-Match Program, develops the value-added industries and agricultural technology databases and conducts research on regional competitiveness. It will use that knowledge to develop innovative strategies for marketing this region's goods and services and for penetrating foreign markets. It will function as the region's International Business Education Center and will provide technical assistance to businesses seeking to engage in international trade. It will organize trade missions, sponsor advertising campaigns and generally promote this region's products throughout the globe.

The Delta Institute is an equal opportunity entity and does not discriminate on any basis in any regard.

CLIENTELE

The Delta Institute's clients will be anyone in this region seeking business opportunities in domestic and foreign markets. It will devote particular attention, however, to assisting historically underutilized and small businesses in the region. The

Delta Institute will develop programs specifically tailored to facilitating the success of such businesses in international trade.

INITIAL CONCENTRATION

The Delta Institute will initially concentrate on the heart of the Delta Region: Tennessee, Arkansas and Mississippi. Thus, it will be located in Memphis, Tennessee in the World Trade Center Memphis. Once the Delta Institute is operating successfully in this sub-region it will incorporate the remaining areas of the Delta Region.

Further, the Delta Institute will initially concentrate on exploiting a relatively unrecognized opportunity: agricultural trade with developing nations. As Mexican Presidents M. de la Madrid Hurtado and C. Salinas de Gortari recognized in the 1980s, leaders of developing nations in the 1990s are beginning to recognize that the path of economic nationalism does not lead to national prosperity. A greater appreciation of the benefits of free trade and foreign investment has, likewise, motivated many of these governments to change their attitudes and their laws regarding trade and investment. In many regions, the new business opportunities thus created are further enhanced by the well-spring of goodwill regarding America and its products that derives, in part, from natural admiration and a perpetual desire to purge the neocolonial residuum.

The Developing World is a virgin niche that this region's businesses, particularly its agribusiness interests, can fill. It

is also an opportunity of particular significance and potential for this region's small and historically underutilized businesses. The Delta Institute's initial concentration, therefore, must be on the developing nations.

IV. THE DELTA INSTITUTE'S STRUCTURE

BOARD OF DIRECTORS

The Delta Institute will be directed by a Board of Directors which will oversee all of the Institute's strategic activities. The Board will have the authority to: hire and fire the Executive Director; approve the Institute's annual budget; establish rules, by-laws, and operating procedures; serve as liaison with government officials at the Federal, state and local level; and, serve as goodwill ambassadors promoting the Institute's work throughout the Delta Region and the world. The Board consists of members representing Tennessee, Arkansas, Mississippi and the region at-large.

EXECUTIVE DIRECTOR

The Institute will be managed by an Executive Director who will be hired by the Board of Directors. The Executive Director will be charged with the Institute's daily operation. This individual will: hire the research and marketing managers and approve all other staff hiring; establish the Institute's strategic direction and priorities; develop long-term strategic initiatives;

report to the Board; serve as liaison with Federal, state and local officials; develop an annual budget; hire outside consultants; and, otherwise serve as a goodwill ambassador promoting the Institute's work throughout the Delta Region and the world.

The Executive Director should hold a doctorate in business, economics or political science. A masters degree, however, could suffice. In addition, the individual should have a background and experience in the academic community, business community and governmental sector.

RESEARCH AND MARKETING UNITS

The Institute will be structured into two units (see organization chart) - Research and Marketing. A brief description of the activities of these two units is presented below.

RESEARCH UNIT - The Research Unit will form the core effort of the Institute. It will accumulate the economic, business, political and social information detailed above. The Research Unit will develop, analyze disseminate data, prepare issue reports, write position papers and produce a newsletter for Delta Region businesses. Further, it will prepare an Annual Report of its activities and findings.

The Unit will serve as a clearinghouse for this Region's businesses to use for social, economic, political and business information and technical assistance. Researchers with backgrounds in political science, economics and international business will

collect and analyze data on international political and business trends, prepare issue papers, conduct seminars and hold retreats for Delta Region businesses.

The Research Unit will also implement a program involving regional students as interns in an educational awareness and training program. This program will enable students to obtain primary knowledge and experience in developing and analyzing international business strategies.

The Research Unit will develop working relationships with regional colleges and universities, particularly for the purpose of identifying and acquiring primary sources of political, economic and business data.

The Unit will be headed by a manager who is appointed by the Executive Director. The research manager should hold a doctorate in either political science, economics or business. This individual should have previous academic experience, particularly involving research and publications. Previous research institute experience would also be a relevant qualification.

RESEARCH LIBRARY - The Institute's research effort will be supported by a professional research library to be housed in the Research Unit. The library will contain books, periodicals and reference books on international business and trade. It will utilize on-line computer services such as DIALOG, Data Star, Trade Data Exchange, WTC Network, CompuServ, Prodigy, Dow Jones and others. The library will be managed by a librarian.

MARKETING UNIT - The Marketing Unit will assist Delta Region businesses in identifying marketing opportunities domestically and in foreign countries, develop national and global marketing strategies and identify international trade experts. The Unit will conduct regional trade expositions, promotional workshops, seminars and individual business counseling. Further, the Unit's staff members will be assigned to work directly with individual businesses in developing their global marketing strategies.

The Unit will handle all of the Institute's communication and promotional activities. It will produce all of the Institute's promotional literature, pamphlets, brochures and flyers. The Unit will further publish the Research Unit's newsletter and Annual Report. The Marketing Unit will also implement an intern program in conjunction with the Research Unit's program.

The Marketing Unit will be headed by a manager who should have previous business marketing experience. The marketing manager will be assisted by one marketing assistant. The manager and assistant will be responsible for conducting the seminars, producing the newsletters and handling press relations.

BUDGET

A three-year projected budget for the Institute is presented below. The budget has been formulated on a conceptual 12-month yearly basis which will coincide with the Federal budget cycle and fiscal year. The total dollar amount should be prorated depending on the actual funding date.

A general inflation rate of 6% has been built into certain administrative budget entries. There has been no inflation adjustment for salaries over the time period due, in part, to uncertainties regarding national health care policy. Payroll tax expenditures and benefits (health, retirement, etc.) have been calculated at 7.5 percent and 18 percent of salaries, respectively. A slightly more liberal 18 percent has been used to reflect cost of living adjustments over the time period. Further, a three percent growth rate in salaries has been calculated across the three year period.

Since the Institute's first year will be primarily devoted to establishing the various databases and Regional Cross-Match Program, the funding allocated to the general marketing effort is relatively small. This smaller allocation will be offset, however, by the initial capital expense necessary to purchase furniture, office equipment, research materials, computers and software. The budget figures after the first year reflect repair, maintenance and upgrade costs for this equipment as well as the full implementation of the marketing effort.

A yearly consulting fee has been included for computer consulting which includes programming, networking, training and software maintenance.

Legal and accounting fees involve the auditing of the Institute's books, review of contracts, and other legal and accounting activities of the Institute. It is recommended that these services be contracted out rather than hire additional staff.

Travel includes both domestic and international air transportation. Telephone costs also include both domestic and international calling.

V. CONCLUSION

Delta Commission Chairman Bill Clinton wrote:

> If we do not implement a single recommendation made in this report, a lot of Americans who live in the Delta are going to do fine in the 1990's: those who are well-educated, on the cutting edge of change, and able to take advantage of the emerging global economy. But millions of people will be left behind, and the region as a whole, including its successful residents, will not achieve its full potential.

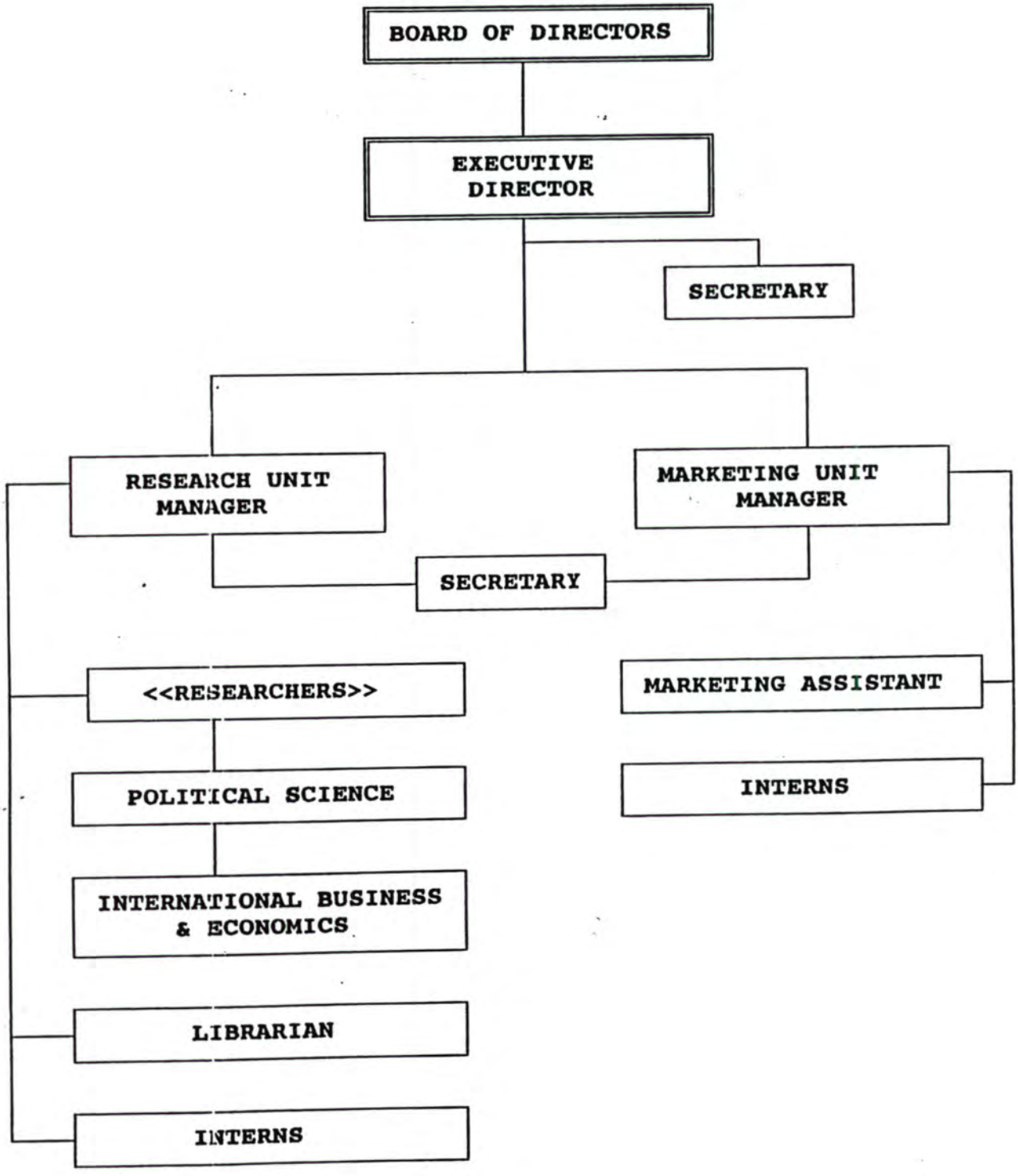
Nobody, however, need be left behind. With the Final Report as our Handbook for Action, the Delta Institute can be the vehicle whereby this region fulfills its potential; whereby the Delta citizenry joins the Vanguard of Change. Webster's dream, "The Strength of America," awaits fulfillment.

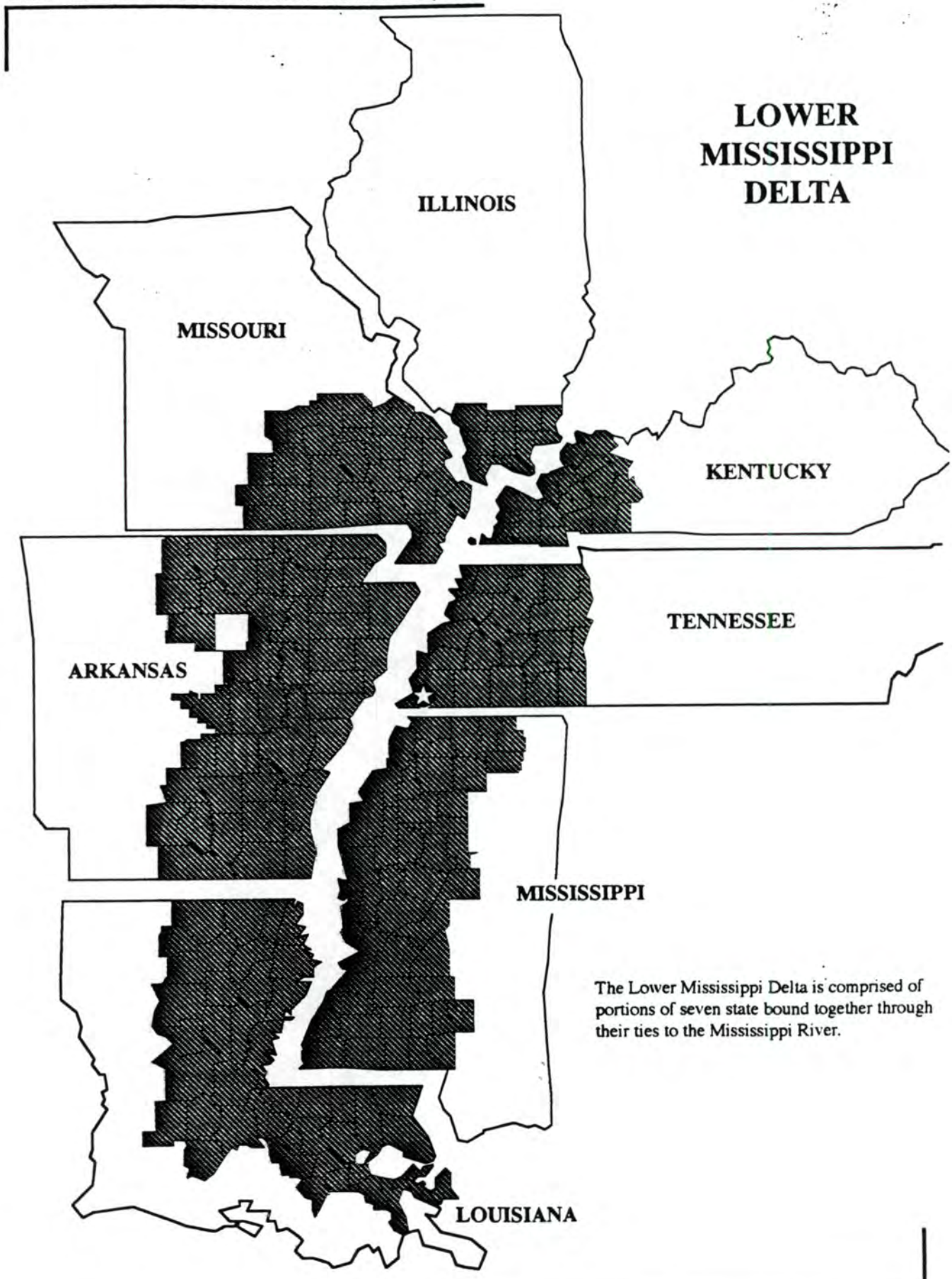
Delta Institute
Projected Budget
1994-1996 Yearly

	1994	1995	1996
		(Actual Dollars)	
Salaries			
Executive Director	62,000	63,860	65,776
Secretary	19,000	19,570	20,157
Research Director	36,000	37,080	38,192
Researcher 1	27,000	27,810	28,644
Researcher 2	27,000	27,810	28,644
Librarian	17,000	17,510	18,035
Secretary	17,000	17,510	18,035
Marketing Director	36,000	37,080	38,192
Marketing Assistant 1	27,000	27,810	28,644
Subtotal Salaries	$268,000	$276,040	$284,321
Benefits (18%)	$48,240	$49,687	$51,178
Payroll Tax Expenditures (7.5%)	$20,100	$20,703	$21,324
Total Salaries	336,340	346,430	356,823
Administrative			
Computer Consulting	10,000	10,000	4,000
Computers*	52,000	10,000	5,000
Conventions/Seminars	0	45,000	47,700
Dues/Staff Development	1,000	2,250	4,000
Furniture/Furnishings*	75,000	10,000	5,000
Legal/Accounting	70,000	74,200	78,652
Library Materials*	100,000	35,000	40,000
Marketing Consulting Exp.	17,000	35,000	37,100
Msc. Research Exp.	0	35,000	37,100
Office Equipment*	60,000	10,000	5,000
Postage/Shipping	50,000	63,000	67,000
Printing	50,000	63,000	67,000
Rent/Utilities	70,000	75,200	79,712
Software*	18,000	6,000	6,360
Stationary/Supplies	12,000	15,000	17,000
Telephone	50,000	55,000	60,000
Temporary Services	4,000	6,420	6,800
Travel/Transportation	25,000	85,000	90,000
Subtotal Administrative	$664,000	$635,070	$657,424
TOTAL	$1,000,340	$981,500	$1,014,247
3-YEAR TOTAL	$2,996,087		

* Initial Capital Purchase
Assume 3% salary growth per year.

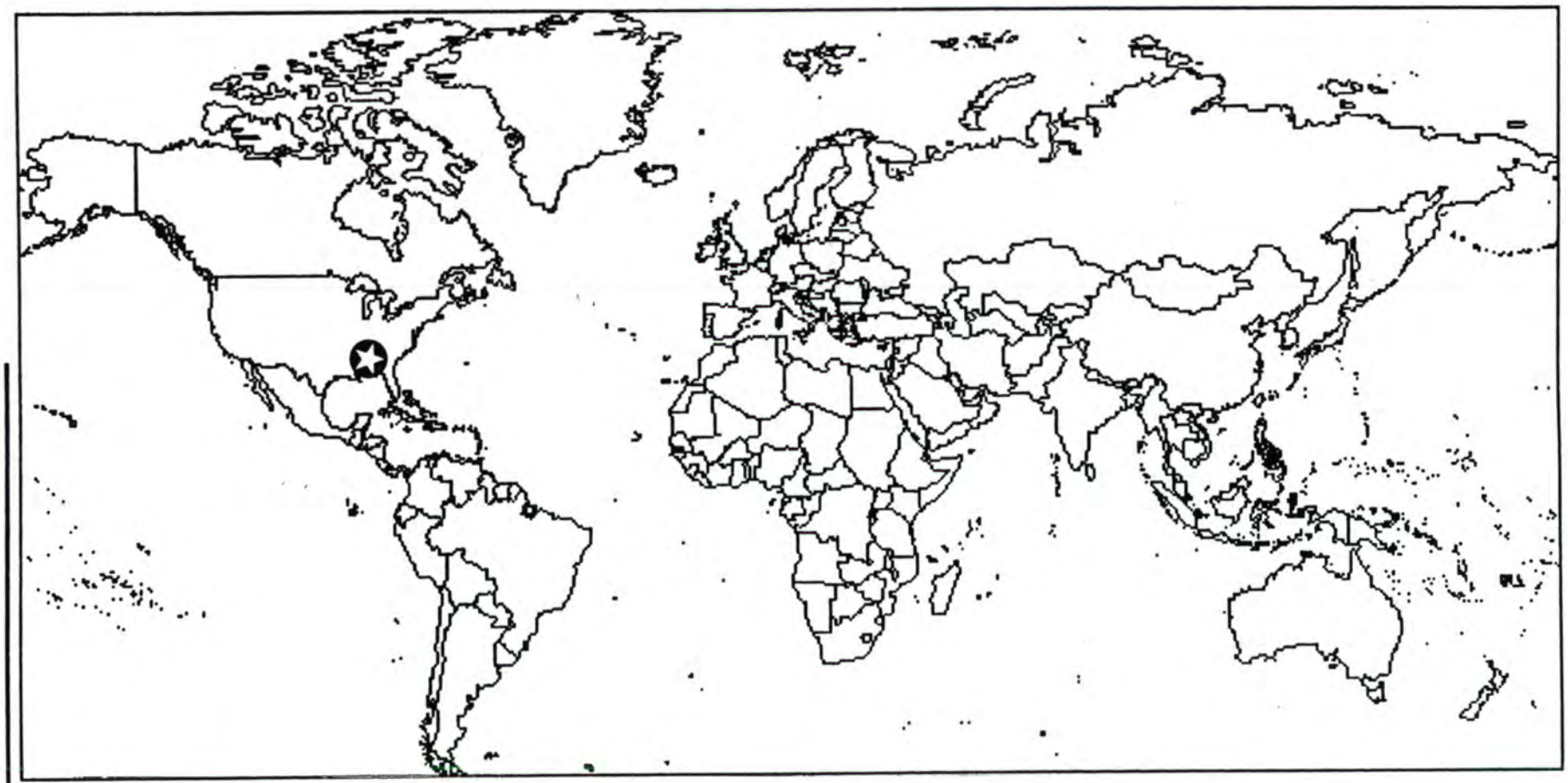
ORGANIZATION CHART





The Lower Mississippi Delta is comprised of portions of seven state bound together through their ties to the Mississippi River.

THE MID–SOUTH AND THE WORLD



The Lower Mississippi Delta offers the United States ideal inland water shipping lanes to the world.

1 See Final Report of the Lower Mississippi Delta Development Commission at 6 and 165.

(6) "...These are the people who by virtue of place are surrounded by thousands of square miles of some of the country's richest natural resources and physical assets and who have used their sense of place to develop a cultural and historical heritage that is rich and unique. And yet, these are the people who by statistics constitute the poorest region of the United States of America; where jobs are scarce and job skills training almost unknown; where infant mortality rates rival those in the Third World; where dropping out of school and teenage pregnancy are commonplace; where capital for small farmers and small businesses is severely limited; where good housing and health care are unattainable for many; where industrial technology lags a decade behind and funds for research and development barely trickle to colleges and universities; where illiteracy reigns as a supreme piece of irony; the region has produced some of the best writers and the worst readers in America."

(165) "...Notwithstanding its assets, however, the Delta is also a region of hardship and poverty. In 1985, per capita income for the region averaged $8,224, compared to the nationwide figure of $12,464. In 1988, the unemployment rate for rural Delta counties averaged 8.87%, compared to a nationwide 5.5% average unemployment rate. Tunica County, Mississippi, is the poorest county in the country, with 52.8% of its population living in poverty. West Carroll Parish in Louisiana experienced an unemployment rate in 1988 of 24.86% - more than four times the national average; and Lee County, Arkansas, had a per capita income of only $6,287 in 1985 - 50% below the national average.

The region's poverty greatly diminishes the quality of life for the people living in the Delta and hinders efforts to promote economic development. The region's infant mortality rate of 12.5 deaths per 1,000 is 1.8 points higher than the national rate. Housing conditions are seriously substandard. Highways, roads, and business opportunities are handicapped by limited access to capital and low skills levels among Delta workers."

2 Id. at 8

"...The ten-year goals aim for fulfillment by the Year 2001 - the first year of the 21st Century and the first year of the next millennium. The goals are designed purposely to be ambitious. The Delta Commission recognizes that some may not be fully attained within a decade's time, but together the goals outline an overall plan that can make the Lower Mississippi Delta and its citizens full partners in creating the nation's best possible future when the dawn of that new age arrives."

3 Id. at 4-5

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

This is the final report to you and Congress of the United States of America on the work of the Lower Mississippi Delta Development Commission. It is more than just another government

report to be added to countless shelves of government studies that have gone before.

This is a Handbook for Action - one that can turn the Delta and its 8.3 million people into full partners in America's exciting future, full participants in the changing global economy.

The Lower Mississippi Delta Development Commission was established under Public Law 100-460 in October 1988 through legislation introduced by a bi-partisan group of senators and representatives from the seven states making up the Lower Mississippi Delta region, as well as Congressmen from other parts of the nation. The Lower Mississippi Delta area is comprised of 219 counties in Arkansas, Louisiana, Mississippi, Missouri, Illinois, Tennessee and Kentucky. Together they form the poorest region of the United States.

The Commission was given this mission: to study and make recommendations regarding economic needs, problems, and opportunities in the Lower Mississippi Delta region, and to develop a ten-year regional economic development plan.

To begin its work, the Commission had to collect all the information, opinions and ideas available in the region. And that is exactly what has been done. We have blanketed the Delta, seeking input from many thousands of people who attended public hearings, spoke to us, gave us written testimony or participated through providing research and statistical information. We have reviewed a mountain of material and considered every single, specific suggestion made by the citizens of the Delta - and they had many ideas on how to improve the overall quality of life for all the people of the region.

In October 1989, we issued an interim report entitled "the Body of the Nation", which outlined the problems and opportunities of the Delta, the vast human and natural resources and many impressive efforts now underway to move our region forward.

We agreed that the Delta was an enormous, untapped resource for America, that it can and should be saved. We agreed that our goal should be nothing less than full partnership for the Delta: rates of employment and income at or better than the national average.

Now, in this Final Report, all of the information, all of the opinions and ideas we have collected have been put together into an ambitious, aggressive plan for the development of the region.

It is a handbook for action that anybody can pick up - a congressman, a governor, a legislator, a chamber of commerce president, a mayor, a teacher, or a student - and see what he or she can do to help.

We also believe the plan comes just in time for the Delta and its people. The 1990's have brought us an entirely new world market by the triumph of democracy and market economics. This new world provides economic opportunities for Americans prepared to compete in it, and enormous challenges for those who are not. The people of the Delta cannot become full partners in America's future without an honest assessment of where we are in the emerging global economy and what we have to do to increase the capacity of all our people to

succeed in it. That is what we have tried to do in our interim report of October 1989 and in this final report.

If we do not implement a single recommendation made in this report, a lot of Americans who live in the Delta are going to do fine in the 1990's; those who are well-educated, on the cutting edge of change, and able to take advantage of the emerging global economy. But millions of people will be left behind, and the region as a whole, including its successful residents, will not achieve its full potential.

We call on you, our Congress, our state and local leaders, and our citizens to assume responsibility for the Delta's future.

Being in the vanguard of change need not be a distinction limited to the freedom-hungry citizens of Eastern Europe or Poland or the aggressive business people of Singapore or Korea. The people of the Delta belong in the vanguard. they want to be there, and they can be if each of us will do our part.

Respectfully,

Bill Clinton
Chairman

4 Id. at 4

See number 3

5 Id. at 4

See number 3

6 Id. at 69-70

"...Agriculture is a sector of the region's economy that has greatly benefited form the rich natural resource base. An entire sub-section is devoted to agriculture because it has made an important and substantial economic contribution to the region and nation. Agriculture remains the Delta's largest producer of new wealth. Nationally, agriculture is larger than the auto, steel and housing industries combined. During the 1980's the agricultural sector experienced serious setbacks, and it is against this back drop that we recognize the vital need to restore the health of this sector to enable it to serve as an important foundation for building the future health of the region's economy. Agriculture provides a basis by which the region's economy can be diversified through increased value added business activity, particularly in food processing and forestry areas. However, many issues regarding agricultural production must be addressed to foster its sustainability. The predominant and established aspects of agriculture such as grains, cotton, livestock and aquaculture, should continue to receive support to enhance the profitability of their economic performance."

7 Id. at 76 and 79

(76)*USDA should fund additional educational and research programs in alternative crop production and marketing in the Delta.

*USDA and state governments should establish centers for alternative crop production and marketing; this program should be administered by USDA for at least the first five years.

*States should fund an inventory of potential value-added industries in the Delta.

(79)*State departments of agriculture or appropriate agencies in cooperation with the private sector should establish an information exchange network to coordinate technology transfer among regional and national collaborating entities.

8 Id. at 76, 87 and 88

(76) See number 7

(87) *States working with the private sector and institutions should develop a joint marketing program targeted toward domestic and international expansion of the forestry products industry including raw timber sales.

(88) *States, Local governments and private sector should fund a study of potential or expanded markets, both domestic and international for coal reserves and other mineral resources.

9 Id. at 76, 87 and 88

(76) *State departments of agriculture should establish fruit and vegetable packing sheds and processing plants in areas where these alternative crops are being produced.

(87) *States and local governments should increase infrastructure development to support expansion of forest products industries in counties and parishes with large timber resources.

(88) *Federal and state governments should work collaboratively with private industry to fund research programs that define environmentally safe, practical, and enhanced recovery techniques for oil and gas reserves; i.e.: horizontal drilling.

10 Id. at 72, 77 and 79

(72) *Institutions of higher education in collaboration with private industry should hold regional workshops to promote aquaculture as an alternative crops and major enterprise within the Delta.

(77) *USDA and the 1862 and 1890 Land Grant institutions should jointly establish a regional research extension effort in the area of sustainable agriculture; use the extension vehicle to deliver research findings to farmers.

*Institutions of higher education in collaboration with private industry should establish and fund demonstrations on organic farming and lower input farming such as the one underway at AgriCenter International, Memphis, Tennessee. Field days should be held to promote thee activities.

(79) *Congress should develop and fund a Delta Agricultural Technology Transfer Center in conjunction with AgriCenter International located in Memphis, Tennessee. This center would be a facility for consolidating and dispensing the latest agricultural technology from various sources to users within the Delta.

*State departments of agriculture or appropriate agencies in cooperations with the private sector should establish an information exchange network to coordinate technology transfer among regional and national collaborating entities.

11 Id. at 107

> The central challenge facing the Delta is the challenge to develop a strong business and industrial sector that will enable the region's economy to be one of growth and vitality in an increasingly competitive environment. As the Delta Commission stated in its Interim Report:
>
> > *"A vibrant business, industrial, and commercial sector lies at the heart of regional economic development in the Delta. Without expanded opportunities, the region will continue to underutilize its human resources and export the best and brightest of its workers to other areas of the nation."*
>
> Emphasis in preceding sections of this report is upon the development of the Delta's untapped potential through greater investment and wise use of its human, natural, and physical resources. The emphasis in this section is upon strengthening and enhancing the Delta's private sector, which must utilize these resources in order to improve the quality of life for all citizens. The recommendation in this section also are aimed at diversified of the business and industrial sector key to the region's long-term growth and progress. Thus, attention is given to the expansion of value-added industry and the development of industries unique to the Delta region.

12 Id. at 107

> See number 11

13 Id. at 132

> **ISSUE:** Regional Cross-Match Program
>
> **TEN-YEAR GOAL:** By the year 2001, a Cross-Match Program will be established and successfully contribute to regional and national industrial development efforts.
>
> **SITUATION:** The Delta Commission recognizes the importance of the manufacturing sector in the future development of the Delta region. Growth in manufacturing activities generally spurs growth in many other sectors of the economy. Thus, the development and implementation of a regional cross-match program could play a critical role in strengthening the manufacturing base upon which the Delta's economic competitiveness will ultimately depend.
>
> A cross-match program involves matching producers of goods and services with buyers in a manner that best identifies and responds to existing market voids. It is a unique and innovative economic development tool that involves the establishment of a comprehensive database of the region's manufacturing inputs and outputs and would furnish detailed and precise information on both potential markets for finished products as well as potential suppliers for processing inputs. Such a sophisticated database can be used to:

(1) Identify regional capabilities for future development of the manufacturing sector.

(2) Effectively promote and market regional value-added products.

(3) Support local, state, and regional industrial recruitment efforts.

(4) Identify export trade opportunities and potential overseas markets.

Cross-match programs are currently underway by various state and private sector entities within the Delta; however, there is a need to better coordinate and expand existing efforts to incorporate a region wide focus.

RECOMMENDATIONS:

*Congress should direct the Economic Development Administration or the appropriate federal agencies to cooperate with Delta states in funding a three-year developmental phase for a regional cross-match program.

*States should adopt a seven-state compact agreement that standardizes programmatic and implementational features or a regional cross-match.

*Governors of the seven states, state economic development officials, and the private sector should launch an awareness campaign to encourage businesses to fully cooperate with the program by submitting completed questionnaires with full disclosure on inventories and products made and purchased.

*The private sector, including manufacturers' associations, should be integrally involved in the establishment of a regional cross-match program and should assume responsibility for the program after the initial developmental phase.

*The central database for a regional cross-match program should be housed in one location and should incorporate input from existing sub-regional cross-match initiatives.

14 Id. at 132

See number 13

15 Id. at 132-33

See number 13

16 Id. at 135

*The private sector and state and local governments should establish and fund a Delta Common Market organization to offer technical assistance in marketing, organize Delta trade missions, sponsor and cooperate with regional advertising campaigns in general, and implement other activities designed to aggressively promote the region.

17 Id. at 114

*The U.S. Department of Education should fund proposals to establish International Business Education Centers in the Delta through a consortium of institutions of higher education. Such

centers would enhance the language, cultural and business skills of students and provide assistance to Delta businesses seeking to enter international markets.

*The states and institutions of higher education should establish centers of research on regional competitiveness to accomplish the following:

(1) assess national and international market trends.

(2) sponsor programs for Delta manufacturers regarding trends in workplace management and production techniques.

(3) monitor the progress of Delta businesses and industries in achieving global competitive standards.

18 Id. at 118 and 120

(118)*The SBA, state governments, and institutions of higher education should aggressively promote the SBIR program and give particular support to projects and proposals which focus on international trade and the needs of small businesses in rural areas.

*SBDCs in the Delta should promote value-added processing activities by fostering contacts and linkages among the producers of primary goods and potential manufacturers and processing facilities.

(120)**ISSUE:** Minority Business Development
TEN-YEAR GOAL: By the year 2001, a 25% increase will be achieved in the number of minority businesses and the number of jobs generated by minority businesses will be increased in the Delta by 80,000.

SITUATION: Minority businesses remain an untapped market for economic development in the Delta. For example, approximately 40% of the total population is African American; yet, the involvement of African Americans in the business sector is far less substantial. Recent data indicates that factors limiting the growth and income of minority businesses include the size of their market shares, available capital, human expertise, and exclusion based on race or sex.

Government procurement policies could provide an excellent vehicle through which minority businesses can play a more meaningful role in the region's economy. If sufficient resources were made available just to meet the 5% minority small business contract award goal of the Department of Defense (DOD), the region would realize benefits of more than $3 billion and 60,000 jobs over the next five year period. This number could be quadrupled if the Delta's minority firms adequately participated in other government-sponsored procurement initiatives.

Community development corporations (CDCs) have been shown to be viable nontraditional mechanisms for addressing many of the problems faced by minority businesses in particular. In the development and implementation of a regional strategy to boost minority business income and jobs, consideration must be given to the expanded involvement of CDCs and other nonprofit institutions.

FOIA Number: 2006-0209-F

FOIA MARKER

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Document Number:

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S	40	7	6	2

To: Distribution

From: Bob Boorstin, Jason Solomon

Re: Congressional Briefing Book

Date: August 2, 1993

Attached is a draft of the briefing book to be sent to members of Congress for the August recess. The final book will be bound and end up looking much like the book that Roger Altman's team recently sent to the Hill.

We are planning to send it around to a few friends on the Hill tomorrow to see what they think. We will then incorporate their changes and yours -- and produce books to be distributed on the Hill on Thursday.

Please get your changes and suggestions to us by mid-afternoon on Tuesday so we have time to make the changes and produce the books on Wednesday. Thanks for your help.

THIS WAS ATTACHED TO BRIEFING PAPERS FOR AUGUST 11, 1993.

IT WAS STAMPED "PRESIDENT HAS SEEN" TITLE: "THE NEED FOR HEALTH REFORM."

LEE

HEALTH CARE UPDATE

THE NEED FOR HEALTH REFORM

PREPARED FOR THE AUGUST RECESS

TABLE OF CONTENTS

I. Goals of The Plan

II. The Need For Reform

III. The Cost of Doing Nothing

IV. How The New System Will Work

V. Questions and Answers About the Plan

VI. Small Businesses and Health Care

VII. The Task Force Process -- Policymaking Through Consultation

GOALS OF THE PLAN

THE CLINTON HEALTH SECURITY PLAN:
Health care that's always there

The goal of the President's health care plan is to make sure that Americans will never again lose their health coverage. The plan is based on 3 principles:

Security: The Clinton plan will provide Americans with the security of knowing that they will never lose their health coverage -- even if they switch jobs, lose their job, get sick, move or start a small business.
Savings: The Clinton plan will control the spiraling costs that are crippling American businesses, hurting American families, and exploding our deficit.
Simplicity: The Clinton plan will close loopholes caused by insurance fine print, reduce the paperwork that chokes doctors and patients, and crack down on fraud and abuse.

THE PROBLEM

Everything that's wrong with our health care system is threatening everything that's right with American health care -- your high-quality care and your right to choose your doctor.

- Every month, 2 million people lose their health coverage. Over the next two years, one out of four Americans will lose their health coverage.

- Today's system is rigged against families and small businesses. Insurance companies pick and choose who they cover. They drop you when you get sick and need your insurance most. They charge small businesses twice the rates as the big guys.

- Our nation's health costs have nearly quadrupled since 1980. Without reform, one of every five dollars our nation spends will go to health care by the year 2000.

- The costs of red tape and paperwork for health care exceed $100 billion each year -- 20 cents on every dollar. The number of health care administrators is increasing four times faster than the number of doctors.

- Fraud and abuse costs us $80 billion -- or 10 cents of every health care dollar.

THE PLAN

•Guarantees that no American can lose their insurance.

•Takes on insurance companies by making it illegal for them to drop people.

•Controls spiraling health care costs and stops the overcharging.

•Guarantees a comprehensive benefits package that emphasizes preventive care.

•Gives a discount to small businesses so that they can get affordable insurance.

•Puts consumers in the driver's seat to give them leverage over the insurance companies.

SECURITY

The Clinton plan guarantees you will never lose your insurance. Without reform, one out of every four people will lose their health coverage in the next two years. Reform will give every American the security of knowing you will always have high quality care -- no matter if you move, switch jobs, lose your job or start a small business. The Clinton proposal:

Guarantees a comprehensive benefits package. All Americans will receive a health security card that guarantees you will never lose your insurance. The card gives you a benefits package that is as comprehensive as those offered by most Fortune 500 companies.

Emphasizes preventive care. The Clinton plan goes beyond virtually all current insurance plans by covering a wide range of preventive services. It puts a new emphasis on preventing illness before it becomes a medical crisis. Prevention will save money and keep people healthier at the same time.

Increases options for long-term care. The Clinton plan will make it possible for more Americans to continue to live in their homes and communities while receiving care. It puts an end to the system that forces the elderly and disabled into nursing homes even though they would receive less expensive care at home with their families.

Outlaws insurers' practices that hurt small businesses and consumers. The Clinton plan makes it illegal for insurers to drop people for any reason. No more denying coverage because of a pre-existing condition. No more losing your insurance when you lose your job. No more pointing to loopholes and fine print as an excuse for not providing benefits. And no more charging small businesses twice as much as the big guys.

Puts consumers in the driver's seat. The Clinton plan brings competition to health care -- unleashing the market forces that lower costs and improve quality. Allowing small businesses and consumers to band together in health alliances will level the playing field and give them the same bargaining power as big businesses.

Today, employers pick your health plan. Consumers will have the choice of a variety of health plans and be armed with report cards on quality and patient satisfaction to help them choose among health plans. Everyone will have the right to choose his or her doctor.

SAVINGS AND SIMPLICITY

The Clinton plan gets the system under control. In today's system, health care costs are skyrocketing, fraud and abuse thrive in a maze of loopholes and fine print, and doctors and patients alike are awash in a sea of bureaucracy and red tape. The Clinton plan:

Eliminates red tape. The Clinton plan will slash the red tape that forces doctors and patients to spend their time filling out forms and fighting bureaucrats. It will enable doctors and nurses to spend more time caring for patients -- and less time filling out forms.

Cracks down on fraud. The reform proposal makes it illegal to game the system, imposing stiff criminal penalties on the profiteers. It stops the kickbacks that some laboratories give doctors in an effort to get business. It tells the con artists that filing a fraudulent claim will mean punishment -- not financial reward.

Reforms malpractice. The Clinton plan requires patients and doctors to use alternative forms of dispute resolution before going to court. Serious malpractice reform will eliminate the "defensive medicine" that drives up costs -- doctors ordering extra tests because they have lawyers looking over their shoulders. It will protect both doctors and patients but reduce frivolous lawsuits.

Controls costs. The Clinton plan will include tough measures to stop the overcharging that goes on in the current system, including drug prices that are three times higher here than they are overseas. For the first time, we will get a handle on spiraling costs.

Provides incentives for good health. Today's system has mixed-up incentives. Doctors get more money for ordering more tests and procedures -- whether it keeps the patient healthy or not. The Clinton proposal creates incentives for doctors and hospitals to keep you healthy -- rather than ordering unnecessary tests and procedures after you get sick.

FINANCING

The Clinton reform proposal offers a new idea based on an old-fashioned value: **responsibility**. The plan guarantees a comprehensive benefits package that covers a wide range of preventive services -- to keep you from getting sick while asking you to take responsibility for your own health. It says to doctors: we'll get the lawyers off your backs and cut your paperwork, but we're going to continue to hold you accountable for delivering the highest quality of care in the world. And the plan says to all employers and employees: we'll control your costs but we'll everyone you to contribute to health care.

The Clinton plan reaffirms an American principle: that **our health care system should be rooted in the private sector**. Some say we should hand the system over to the government. But the Clinton proposal preserves our employer-based, privately-financed system of health care. It controls the costs that are hurting American businesses ability to compete. And it helps small businesses provide affordable insurance to their employees.

The system is financed as it is today -- through employer-paid premiums. The plan will not require any new broad based tax. In order to make insurance affordable for everyone and give people the security that they will never lose their insurance, the Clinton plan will also:

•Squeeze the waste out of the current system by slashing paperwork, cracking down on fraud and abuse, and reforming malpractice.

•Ask all employers and employees -- including those who now pay nothing -- to contribute to the cost of their health care. Employers who now cover the full cost of health care will be able to continue doing so.

•Take on the insurance companies and set limits on the rates at which they can raise their premiums.

•Provide a discount for small business owners struggling to provide insurance for their families and employees. Make insurance for the self-employed 100% deductible.

•Impose a cigarette tax to help pay for long-term care for the elderly and disabled.

THE NEED FOR REFORM

THE NEED FOR REFORM:
A LACK OF SECURITY

OBJECTIVE:
Guarantee that no one will ever lose their insurance -- whether they switch jobs, lose their job, get sick or start a small business. The Clinton plan will provide health care that's always there.

- Working Americans face a growing threat from the uncertainties created by the health insurance system. Even people with good health insurance coverage cannot count on protection if they lose or change jobs, especially if someone in their family has a pre-existing health condition.

  Becky and Mike from Merced, California are locked into jobs because they fear losing their health insurance. Becky had twins, one of whom was born with correctible birth defects. The family was faced with $100,000 in bills, for which they paid $10,000 out-of-pocket. Although Becky would like to work as a school teacher, she can not leave her current job because her family depends on it for their health insurance -- and no other insurance company will agree to cover her daughter.

- Every month, 2 million Americans lose their insurance. Over the next two years, one out of four Americans is expected to lose their insurance.

- Rising costs have forced many small and mid-size firms to cut back or eliminate coverage. In many cases, they have been forced to drop family members. Nearly one of every three small employers say they expect that rising costs will soon force them to stop offering health care, according to a 1991 Harris survey.

  A furniture store owner in Titusville, Florida is so strapped by the rising cost of insuring his workers that he had to stop providing coverage for his own parents, who work in his business.

- Many Americans want to start small businesses but don't because they're worried about putting their family's health security at risk. Those people should be able to start small businesses -- and create jobs for America.

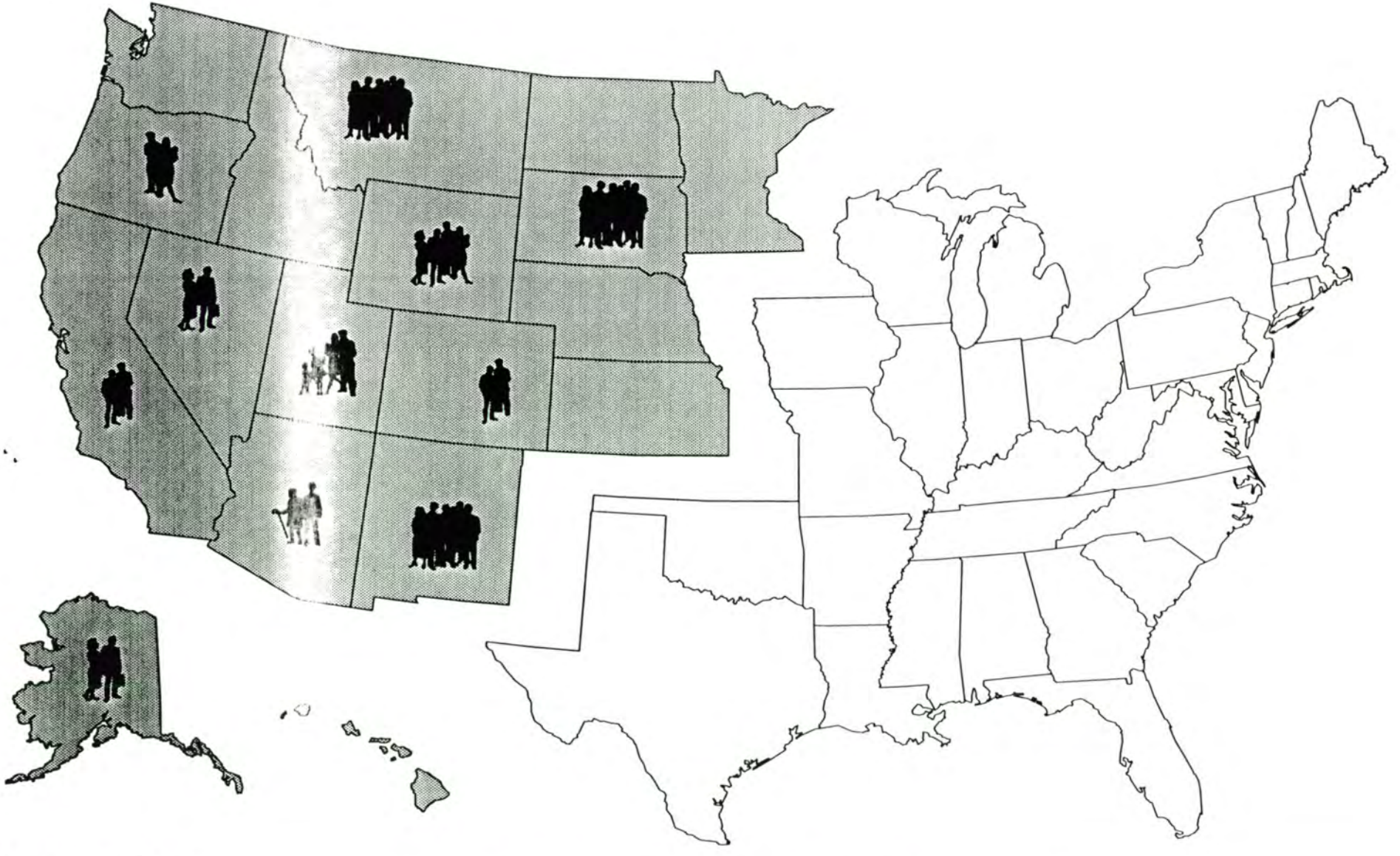
  Terry from Vandalia, Ohio was diagnosed with cancer. Luckily for her, she got health insurance through her husband's employer. Unfortunately, Terry's husband was forced to give up his dream of opening his own business in order to maintain the family's health insurance.

- Even many people who think they have good benefits packages find they are often denied the benefits they pay for by their insurance company. Just when people need their insurance most, the insurance company tells them to read the fine print -- and denies them coverage.

  Jean and David own a small grocery store in Minnesota. When David needed a series of major surgeries, the insurance company cancelled their plan because "they were no longer profitible." When the couple complained, the insurance company responded that the option to cancel the couple's policy was written within the fine print of their agreement.

What Would You Do If You Lost Your Insurance?

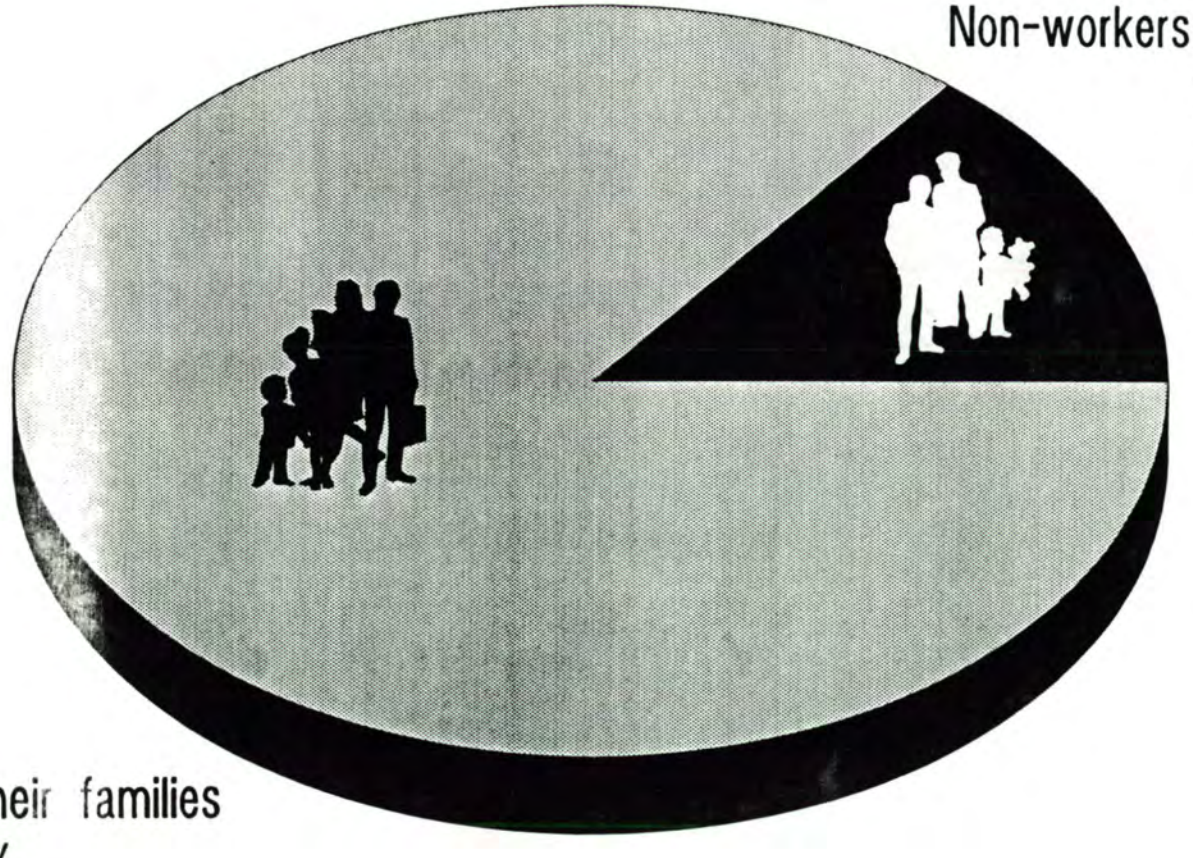
1 out of 4 Americans – or 63 million people – will lose insurance for a period of time over the next 2 years. That equals the population of 18 states – from Alaska to Minnesota. A child's illness at this time could financially devastate a family.



SOURCE: Census Department

Who Are The Uninsured?

85% of Americans without health insurance are workers and their families.



SOURCE: 1990 data, Employee Benefits Research Institute, 1992

THE NEED FOR REFORM:
RISING COSTS

OBJECTIVE:
Control the spiraling health costs that are hurting businesses and families, and exploding our deficit. Create incentives for greater efficiency so that the rate of overall health care costs slows.

- Rising health costs mean lower wages, higher prices for goods and services, and higher taxes. The average worker today would be earning $1,000 more a year if the cost of health insurance had not risen faster than wages over the previous 15 years. If the cost of health care continues at the current pace, by the year 2000, wages may go down another $650 [OMB].

- More and more Americans have to give up insurance altogether because the premiums have become prohibitively expensive.

  Kay from Palm Harbor, Florida was forced to go back to work and stop caring for her two children full-time when her husband died in 1987. Her COBRA payments rose from $2,400 each year to $3,777. She shopped around for an alternative plan. The only one that she could afford required that she pay $3,800 out-of-pocket before it would honor her claims. She could not afford to pay the premiums, so she dropped their insurance.

- Small firms have to cut their profits in order to provide insurance for their employees.

  A farmer in Chelsea, Iowa is forced to sell a "big, fat feeder calf" every month in order to pay the health insurance for his employees.

- Health costs create a major burden for American business, particularly manufacturing companies with older workers and large numbers of retirees. Health care costs add $1100 to the price of every car made in America -- double the cost added to Japanese imports.

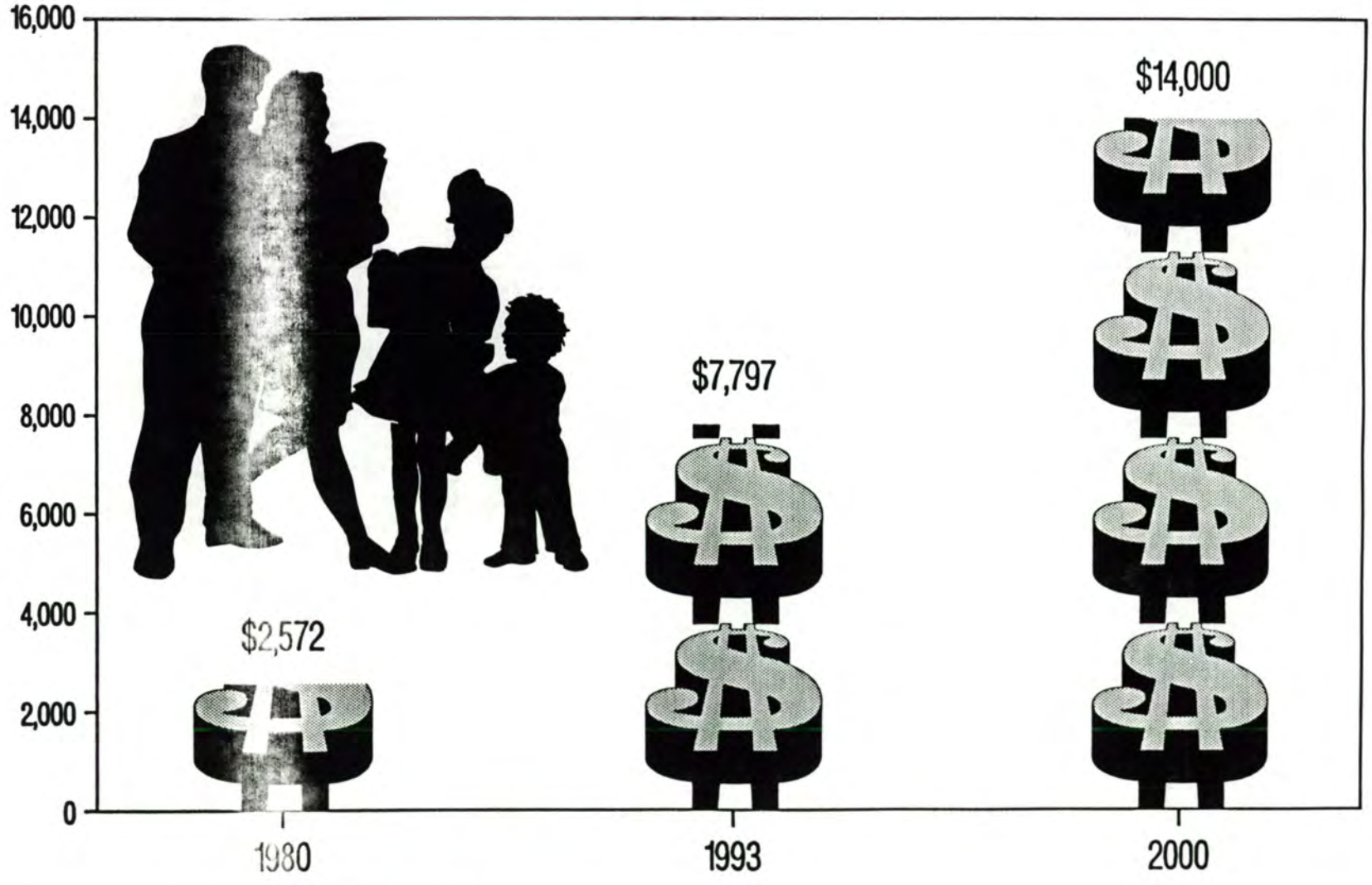
  General Motors spends more money on health care than it does on steel.

- Since 1980, health care costs have quadrupled. Between 1980 and 1992, health expenditures shot up from 9.1 percent to 14 percent of GDP; under current policies, they will hit 18.6 percent by the year 2000. [OMB]

- Other industrialized countries spend, on average, less than 8 percent of their GDP on health care. U.S. health costs are nearly twice as high and are growing at a faster rate compared with major European countries with comparable medical standards. Over the last decade, health costs rose more than twice as fast here as in Germany.

Family Health Care Costs Are Skyrocketing

- What your family pays for health care will DOUBLE by the end of the century
- Each American family would have added $12,000 to their personal savings, if health costs had been kept to the rate of inflation from 1980 to 1992.



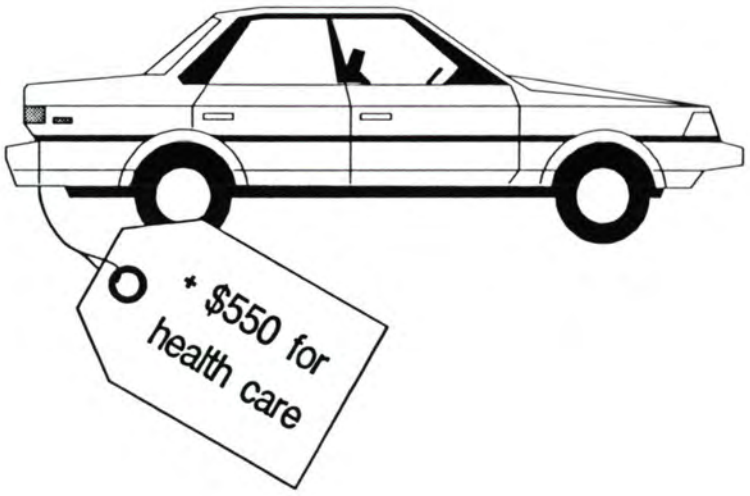
SOURCE: Families USA, Robert Wood Johnson (nominal dollars)

Health Care Costs Hurt U.S. Competitiveness

Health care costs add $1,100 to the price of every car made in America – DOUBLE the cost added to Japanese imports.
U.S. automakers now spend more on health care than they do on steel.

U.S.

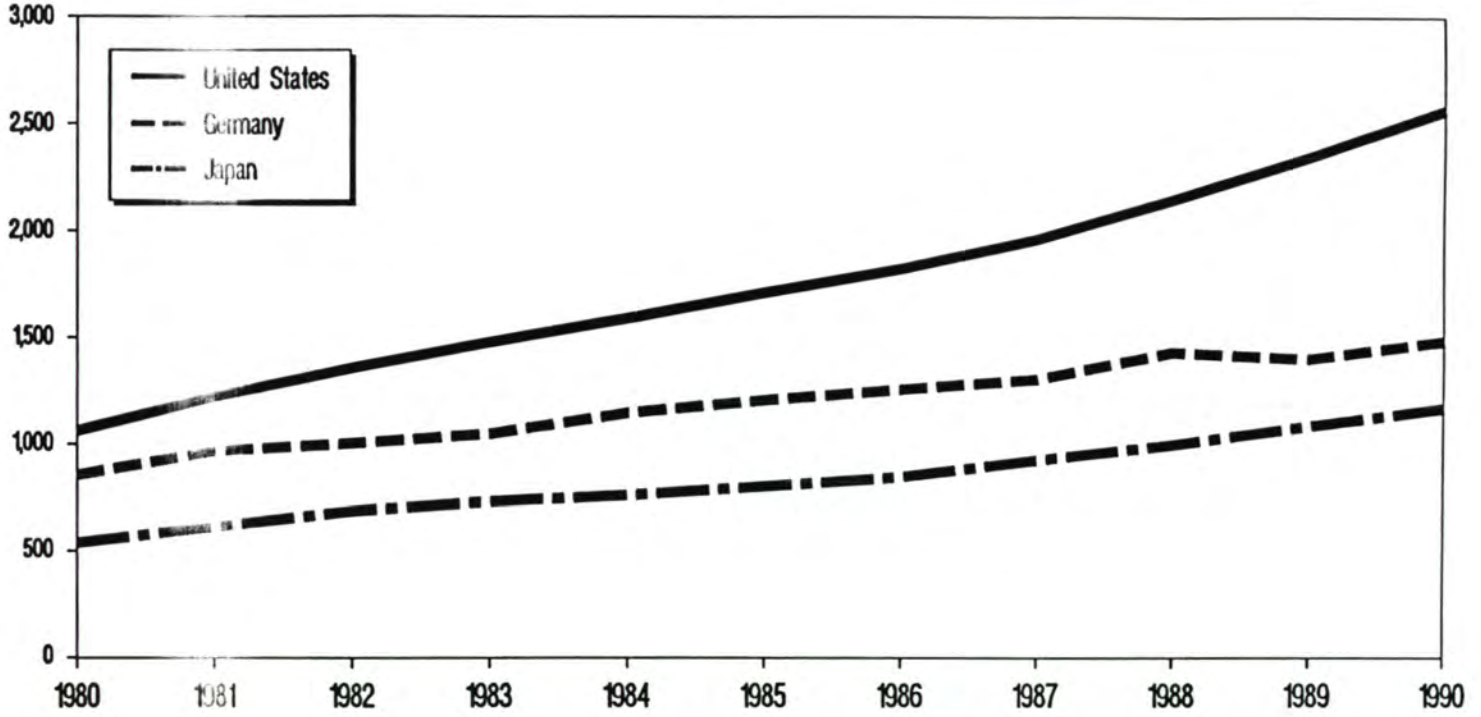
Japan



SOURCE: University of Michigan, Time, 11/25/92

America Pays More Than Any Of Our Competitors . . .

All other industrialized countries provide health security for all their citizens and control their health care costs.



. . . With Less To Show For It

- Infant Mortality: U.S. ranks 21st out of 24
- Life Expectancy: U.S. ranks 17 for men and 16 for women

SOURCE: Per capita data; Health Care Financing Review, Summer 1992

THE NEED FOR REFORM:
QUALITY THREATENED

OBJECTIVES:
Improve the quality of care. Create a competitive market that rewards quality. Empower consumers to judge the quality of providers and health plans by providing them with consumer report cards that provide information on performance and patient satisfaction.

- Attempting to assure quality has resulted in a bloated insurance bureaucracy that has become an oppressive regulatory nightmare for providers with mountains of forms and numerous levels of review -- but it provides little useful information to consumers about quality.

- The average doctor's office spends 80 hours a month pushing paper. Nurses often have to fill out as many as 19 forms to account for one person's hospital stay. This is time that could be better spent caring for patients.

[get story of doctor and forms]

- The system is biased toward specialty care, rather than more cost-effective preventive and primary care.

[insert story of someone who could get heart bypass or something covered but not primary or preventive care]

- Innovation in the delivery of health care revolves around "gaming" the system -- shifting costs, cutting corners or self dealing -- rather than improving quality of care or controlling costs.

- Despite our much-deserved reputation for having the highest quality care in the world, the United States ranks much lower in some measures of health than most industrialized nations.

[insert stat]

THE NEED FOR REFORM:
DIMINISHING CHOICES

OBJECTIVE:
Preserve choice of doctors and increase choice of health plans.

[see if you can find stat on what % of people ,choose their own health plan]

- As insurance companies have increased the use of preexisting condition exclusions and other limitations on coverage, individuals and small businesses have had fewer choices among affordable health insurance policies that provide good benefits and offer real protection.

- Small businesses that provide insurance to their workers have a difficult choice to make when an employee becomes seriously ill. They can retain their policy but pay huge premium hikes each year; drop the policy and try to find other coverage; exclude the sick worker from the policy; or go without insurance.

> ***Eddie is a small business owner in Tampa, Florida. He has covered the full cost of his employees for the last 23 years. But recently, he had to drop one of his workers who was considered a high risk because of prior surgery. Eddie himself does not qualify for any plan due to a pre-existing condition.***

- Individuals who purchase insurance outside a large group face essentially the same unsatisfactory choices as small businesses.

> ***Ann and Hughbert illustrate the disadvantage of being just a few people up against the insurance companies. They own a small tackle shop in Corpus Christi, Texas. Their daughter was born with Down Syndrome and heart defects. At the time of her birth, the couple was insured by his college and paid a $1,000 premium each month. Their premium has now escalated to $15,000, for which they receive no preventive care or prescription coverage. They cannot change insurance companies because no one will insure their daughter.***

- In order to cut costs, many employers are forcing their employees into managed-care plans -- sometimes forcing employees to leave their doctor.

> *Cathleen from Columbia, Maryland was diagnosed with cancer a few years ago. The family had insurance through the husband's employer, but after she was diagnosed the couple was* ***"strongly urged" to join an HMO. Cathleen was very upset because she was forced to leave the doctor that was treating her cancer. She felt that this disrupted her healing process.***

THE NEED FOR REFORM:
GROWING COMPLEXITY AND INEFFICIENCY

OBJECTIVE OF REFORM:
Reduce paperwork and red tape. Simplify administration.

- Purchasing insurance can be overwhelming for consumers. With different levels of benefits, "co-pays," "deductibles" and a variety of limitations, trying to compare policies is confusing and objective information on quality and service is difficult for consumers to find. As a result, consumers are vulnerable to unfair and abusive practices.

> ***In Palm Harbor, Florida, a babysitter took the child for whom she was caring to the hospital, after he had swallowed a bottle of poison. Upon arrival, she was told that the child would not be covered by insurance because the paperwork at the family's new insurance company had not yet been completed.***

- Insurers have responded to rising health costs by imposing restrictions on what doctors and hospitals do. A system that was complicated to begin with has become incomprehensible, even to experts. Each health insurance plan includes different exclusions and limitations. Even the terms used in health policies do not have standard definitions.

- Small business owners face the same difficulties working through the insurance maze. For firms with fewer than five workers, 40 percent of health care premiums go to pay administrative expenses.

- Administration has become increasingly complicated. No standard forms exist for enrollment, reimbursement, and other functions. The typical hospital bill might as well be written in hieroglyphics. Even the hospitals' computers can't talk to each other.

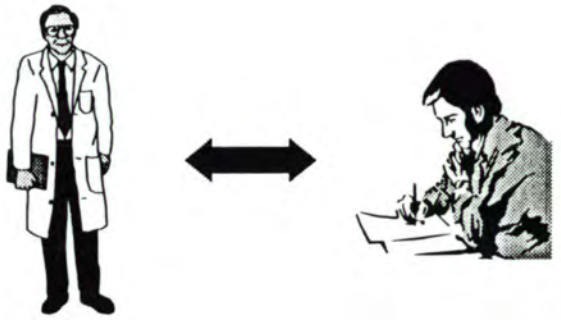
[get story of someone who can't figure out their bill]

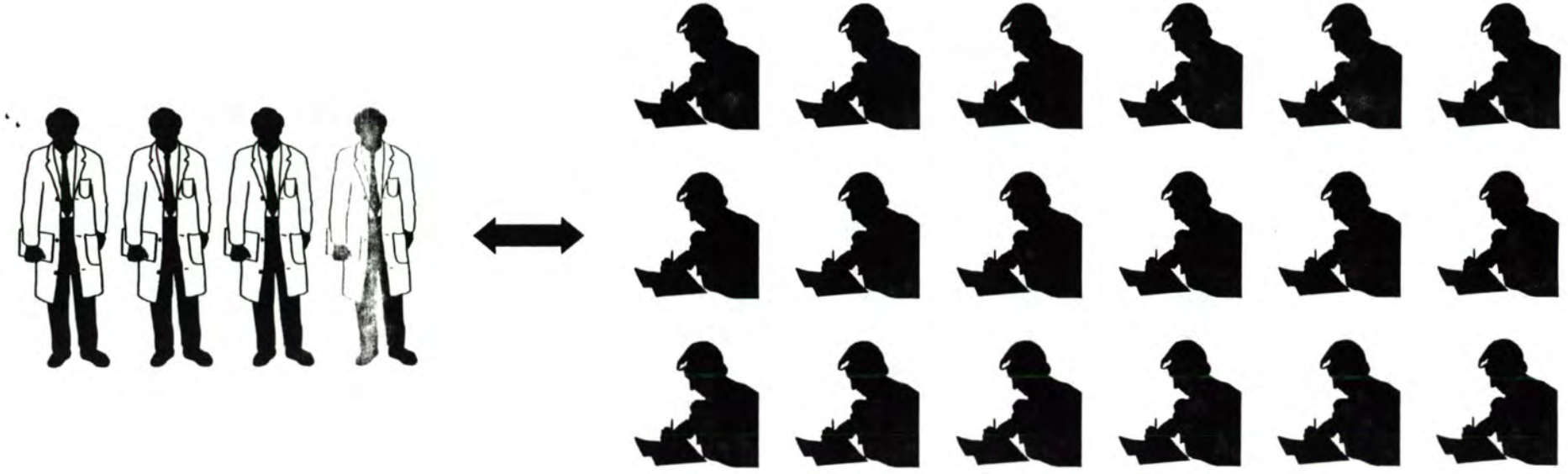
- Increasingly, insurance will only cover the most expensive alternative form of care -- even when the patient prefers a less expensive alternative.

[get story of home care/hospital care]

America Has More Administrators Than Doctors

The number of U.S. health care administrators is growing 4 times as fast as the number of American doctors.





SOURCE: New England Journal of Medicine, Woolhandler & Himmelstein, 1986

THE COST OF DOING NOTHING

THE NEED FOR REFORM:
THE COST OF DOING NOTHING

Under our current health care system, we have failed to guarantee American families the security they deserve. If we do nothing, we threaten the future security of every American family and business -- and the long-term health of our economy.

Here's what will happen to American families, businesses, and our economy if we do not undertake comprehensive reform:

FAMILIES

- Every month, two million Americans will lose their health coverage. And over the next two years, one out every four Americans will find themselves without insurance for some period of time.

- By the end of the decade, American workers will lose $655 in income each year if health care costs continue to eat up wage increases, as they have over the past decade.

- American families will continue to be denied coverage because of preexisting health conditions. Workers will continue to be locked in jobs they want to leave because they're afraid to take the risk of losing their insurance.

BUSINESSES

- Small businesses will continue to face the skyrocketing premiums from insurance schemes that discriminate against them. Companies will be forced to cut benefits or drop coverage altogether.

- Large employers will have to pay as much as $20,000 a year in health care costs for each employee by end of the decade.

- Health costs will continue to add more than $1100 to the price of each American car -- double the cost to Japanese imports.

ECONOMY

- By the year 2000, almost $1 out of every $5 earned by Americans will go to health care spending.

- Our nation's job growth will be continue to be stunted by skyrocketing health costs that prevent businesses from hiring new workers.

- Health care cost increases will eat up more than half of $738 billion in new federal revenue expected over the next four years. Health care spending will rise from 14% of Gross Domestic Product to 18% by the year 2000.

"THE COST OF DOING NOTHING"
EXCERPTS FROM A SPEECH BY SENATOR JAY ROCKEFELLER
NATIONAL FEDERATION OF INDEPENDENT BUSINESSES
JUNE 28, 1993

Like the rest of America, you have watched the health care issue move to the top of the agenda. From a time not that long ago when it was someone else's problem--to the situation today, when the vast majority of Americans--especially small business owners--say it is the problem that worries them emotionally, burdens them financially, and scares them from head to toe. In chairing the Pepper Commission, and in my travels through my state, that is what small businesspeople have told me over and over again.

Let me describe something really terrifying. Let me describe for you the health care system that is the likeliest alternative to the President's proposal--the status quo. Bear with me, because it is a lot more complicated to explain than "competition with a budget."

What benefits will be covered? For most people with coverage now, a little bit less than last year. Stiff co-payments and deductibles. Less of everything at much higher premiums.

Insurers will continue to charge you whatever they want--based on health status, where you live, where you work, or whatever.

Cost controls? It will be every-man-for-himself. Big employers and government will have the clout that comes with the size, to force controls on health care providers. But those people will just turn around and jack up rates to everyone else to compensate.

Insurers also will pressure doctors and hospitals by micro-managing and second-guessing every decision, and by making them jump through complicated administrative hoops--sort of rationing by red tape--with every insurer designing its own forms and claims procedures, thousands in all. Small businesses will continue to pay up to 40 percent more than big businesses just to cover the administrative overhead and cost-shifting.

Policing the system against incompetence will be left up to a medical malpractice system that rewards many frivolous claims and ignores thousands of legitimate ones.

The status quo plan is employer-based, so most people will continue to get covered through where they work. It goes without saying that there is no universal coverage under the status quo plan. Businesses that do offer coverage --which is the vast majority--will continue to give those who don't a free ride. Up to a quarter of those on welfare will remain stuck there solely to keep Medicaid benefits.

What will all this cost? An extra $100 billion in the first year, even more in the future. It doesn't call for new taxes at the moment--it just adds to the deficit. In fact, government's share of the system's costs will eat up more than 60 cents of every new dollar of federal revenue over the next five years. But the bulk of these new costs will fall squarely on the business. The biggest can expect their costs to go up 12 percent to 15 percent a year; smaller businesses, more like 20 percent to 30 percent--if they're lucky.

Some plan, right? Well, I promise you, that is what we'll get if the President's plan fails. If anyone with clout insists on changing the status quo only in ways that protect their sole interests, that is the alternative that will win in the end.

HOW THE NEW SYSTEM WILL WORK

THE CLINTON PLAN:
HOW IT WORKS

Under the Clinton plan, every American will be guaranteed access to a comprehensive benefit package, no matter what. No one will be denied insurance because of a pre-existing medical condition, a sudden illness, a change of jobs, or for any other reason. Employers will provide insurance to all employees. Individuals and families will choose their own doctors and health plans in a simplified system that provides high-quality care.

Within a federal framework, states will establish and oversee the system, tailoring its design to the needs of each community.

Health alliances -- run by consumers and business will provide consumers and employers with a choice of health plans. Plans will compete to provide the best care at the lowest price, and issue regular report cards so consumers can judge for themselves. Some states may elect to operate health alliances themselves, while others will simply oversee alliances in their region.

Health plans will enroll any American, assuming responsibility for providing quality care at a negotiated price. Every alliance will offer at least three plans, including one based on the traditional "fee-for-service" model, so you never lose the option to choose your own doctor.

Consumers and employers, operating within state guidelines, will choose among health plans. The federal government will establish and oversee standards for American health care. Federal law will:

- Define the guaranteed benefit package.
- Outlaw discriminatory insurance practices, including "pre-existing conditions," overcharging, and volatile rate-setting.
- Establish and enforce budgets to control health spending.
- Set standards for assuring quality and consumer protection.
- Toughen penalties and strengthen efforts to crack down on fraud and abuse.
- Reform malpractice laws to root out the real negligent providers and eliminate defensive medicine.

- **HOW WILL PEOPLE OBTAIN HEALTH COVERAGE?**

TODAY: Whether or not Americans have health insurance depends on many factors outside their control: Whether and where they work, what illnesses they have or once had, how much money they have. More than 60 million Americans have little or no health insurance. Millions more are locked into jobs because they fear losing health insurance.

In most cases, companies, not employees, choose the health plans through which workers obtain coverage.

REFORM: All Americans will be guaranteed a comprehensive benefit package at an affordable price, regardless of where they work, how much money they earn, or whether they've ever been sick.

Individuals -- not employers -- will choose from a variety of health plans. Patients satisfied with their current health plans and physicians can continue with their current arrangement. Others can choose a different approach to care, with choices ranging from HMOs to the traditional fee-for-service plan.

- **WHERE PEOPLE GO TO GET HEALTH COVERAGE?**

TODAY: Most people obtain insurance from their employers. Some purchase individual policies from insurance agents or agencies. Federal, state and local governments all provide care to specific categories of people, including the elderly and some low-income people.

REFORM: Consumers will have the right to enroll in any health plan offered through the alliance. Alliances will provide consumers with information to help them pick the plan best for them-- information about coverage, costs and the quality of care. Employers will also make information about alliances and health plans available. Very large employers may decide to run their own alliances, but they will have to meet all the same standards: comprehensive benefits, choice of plans, high quality, and affordability.

The unemployed will be able to obtain coverage through the alliance in their area.

- **HOW WILL THE INSURANCE MARKET CHANGE?**

TODAY: Small firms and individuals are at a disadvantage in negotiating with large insurance companies, and they end up paying higher premiums. Many small businesses look at the price tag for insurance and decide that while they'd like to provide their workers' coverage, they simply can't afford it.

The differences between the rules, restrictions, and benefits offered by more than 1500 insurance companies selling health insurance fragment the market and add inefficiency to the system. The differences between their rules, their restrictions, and the benefits they cover create confusion for consumers and providers, and creates a paperwork nightmare.

REFORM: Individuals and firms will band together into health alliances, putting consumers and employers in control. Health plans will compete by offering high quality care at affordable prices, and consumers will vote with their feet-- enrolling in the plans that do the best job.

One standard form will replace thousands of different insurance claim forms. Problems arising from the coordination of benefits between insurers will disappear.

Fewer, larger insurance pools will spread risk over a larger group and reduce administrative costs.

- **WHERE WILL PEOPLE GO FOR HEALTH CARE?**

TODAY: People with insurance go to doctors, hospitals, pharmacies, HMOs, or other providers covered by their insurance.

People without insurance most often don't get care, or end up in hospital emergency rooms, or community clinics. That drives up costs for other patients.

REFORM: Most patients will do what they've always done-- continuing to use the same doctors, hospitals, pharmacies, HMOs, or other providers. Providers may organize into "networks" to coordinate the care of their patients and control costs. All Americans will have guaranteed coverage.

- **HOW WILL HEALTH PLANS CHANGE?**

TODAY: Health insurance plans select the healthiest people to enroll. Plans avoid taking risk and discriminate against sick individuals and smaller groups seeking coverage. Often insurance won't pay for treatment for health problems diagnosed before a patient joined the plan. Many insurers refuse coverage to individuals because of pre-existing medical conditions.

In many underserved areas, including both rural areas and inner-city neighborhoods, patients do not have access to health plans or providers.

REFORM: All plans will enroll all applicants and charge premiums based on a "community rate" negotiated with the alliance. While prices may vary between plans, each health plan will charge everyone enrolling the same price for the guaranteed benefit package.

States and health alliances will ensure that health plans are available in all areas.

- **WHAT HEALTH CARE SERVICES WILL PEOPLE RECEIVE FROM THEIR PLANS?**

TODAY: Benefits vary widely. Some provide mental health services; others do not. Some pay for prescription drugs, and other do not. Only a handful pay for preventive care.

REFORM: Every American will have the security of a guaranteed, comprehensive package of benefits, including a full range of medical services. The package will be as comprehensive as those offered by most Fortune 500 companies. The benefit package will stress preventive care, including services such as immunizations and mammograms.

- **HOW WILL COSTS BE CONTROLLED?**

TODAY: Health care costs are rising rapidly because of:

- Administrative waste:

High claims processing and billing costs resulting from the fact that more than 2,400 entities pay for health care in the U.S. Each imposes its own reporting requirements.

High administrative costs -- as much as 40 cents of each dollar -- particularly for small businesses and individual policyholders.

High insurance administration costs associated with underwriting practices.

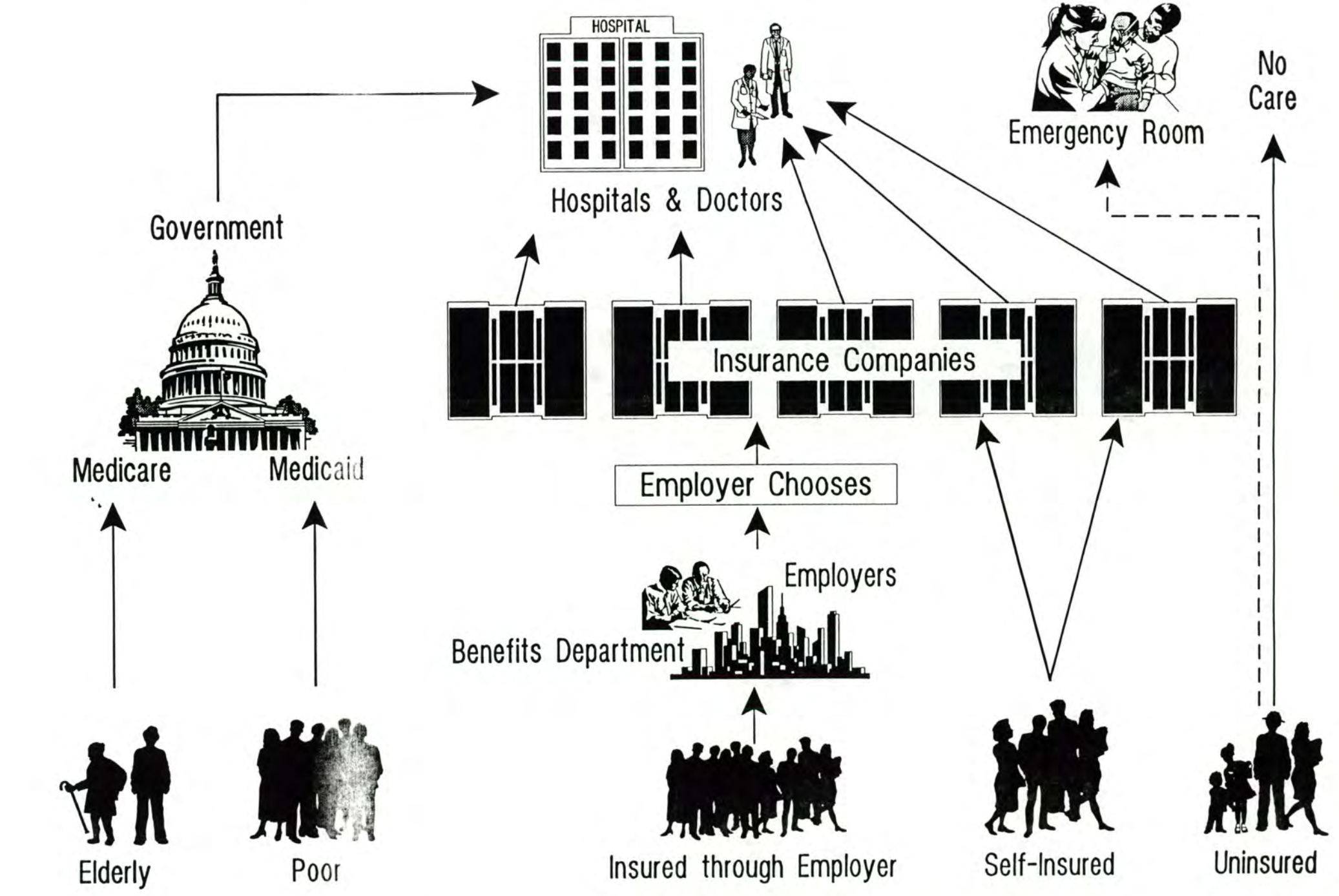
• Fraud and abuse, which lines the pockets of unscrupulous providers.

• High-cost settings, such as hospital emergency rooms, which are used by patients who don't have access to other care.

REFORM: The Clinton plan controls costs by:

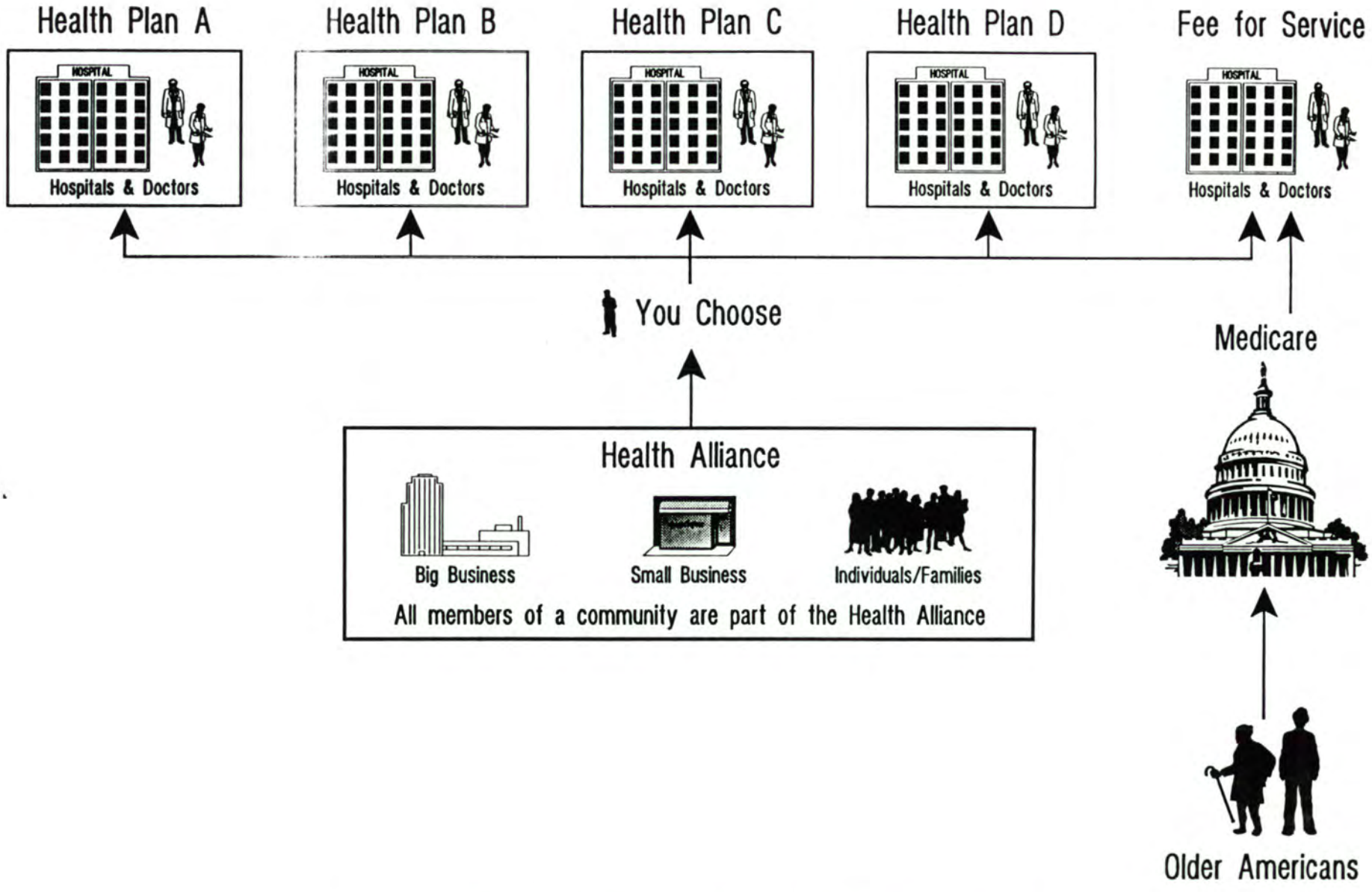
- Operating within a budget, so that plans will avoid unnecessary duplication of expertise and equipment, leading to better investment in technology.
- Encouraging price competition and consumer information so patients are able to distinguish among plans and make cost-conscious choices.
- Cracking down on fraud and abuse.
- Eliminating insurance underwriting.
- Streamlining claims and reimbursement by moving to simple payment systems and developing a standard billing form.
- Reducing costs for small groups and businesses that will gain the purchasing power of a large group.
- Creating incentives to deliver cost-effective care, by holding plans accountable for delivering the guaranteed benefit package for a fixed rate.
- Enhancing cost consciousness, quality, and innovation through technology assessment and research into health outcomes that assist providers in judging the effectiveness of treatment.

How You Get Coverage: The Current System



How You Get Coverage: The New System

Health care reform brings people closer to their doctors and the high quality, affordable care they deserve.



QUESTIONS AND ANSWERS ABOUT THE PLAN

THE CLINTON HEALTH SECURITY PLAN:
QUESTIONS AND ANSWERS

In answering questions about the Clinton health security plan, three items can be stressed.

1) Every aspect of this plan is designed to guarantee health care that's always there. The plan ensures that Americans will never lose their health coverage.

2) If we cling to the status quo and do nothing, costs will continue to rise and the system will self-destruct. Right now, everything that's wrong with health care today threatens everything that's right about American health care.

3) The opponents of reform want you to believe they're for change, but they have only one interest: protecting the profits they make from the status quo.

The questions and answers below are grouped into the following categories:

- Choice
- Comprehensive Benefits
- Paying For Reform
- Controlling Costs
- Quality of Care
- Businesses
- Job Impact
- Providing Health Security
- Reducing Red Tape
- The New System
- Rural and Urban Areas
- Older Americans
- Doctors and Other Health Professionals
- Miscellaneous

CHOICE

Q: Will I still be able to choose my doctor?

A: Yes. You will always be able to choose your doctor. You can follow him or her into any plan he or she joins. And every American will have the choice of a variety of health plans -- you can continue to get care on a fee-for-service basis the way many people do now, join a network of doctors and hospitals, or go to an HMO. It's your choice.

Today, most businesses dictate which health plan you can join and sometimes which doctors you can see. Companies are even limiting people's choice of doctor in an effort to control costs. That won't happen under the Clinton plan. No boss will be able to tell you what doctor to go to or what health plan to join.

You choose your plan. And every year, you can choose to switch plans. If, for example, your doctor switches plans -- you can switch plans with your doctor.

Under the Clinton plan, you'll never lose your health care and you'll always be able to choose the doctor you want.

Q: What if my family sees many different doctors and wants to keep seeing all of them?

A: In most cases, doctors will be free to join a number of plans so that your family can continue to see several doctors. Each plan will have many different doctors affiliated with it. And every part of the country will have a fee-for-service plan like many people have now -- where you can see any doctor you want.

COMPREHENSIVE BENEFITS

Q: I have a good plan through my employer now. Will the new plan be as good?

A: For the vast majority of Americans, the Clinton comprehensive benefits package will cover at least as much as the current one. It's modeled on the packages offered by Fortune 500 companies. And the comprehensive benefits package will have one thing that's covered in only a handful of current plans -- a full range of preventive care. This will not only keep people healthy, it will save money.

Finally, your health insurance will be guaranteed, so your boss or insurance company can't take away your benefits or tell you to go read the fine print in your policy when you get sick.

Nobody will dictate to you what kind of plan you're on or where you have to go to get care. You choose where you get your care and which plan best fits your needs -- your boss or insurance company doesn't choose it for you.

Q: Won't I be paying more for less?

A: Absolutely not. You will be getting a comprehensive benefits package that covers as much as many Fortune 500 plans. The package covers a wide range of preventive services not covered in most people's current plans. And you will get the security that you will never lose your insurance -- whether you switch jobs, lose your job, get sick or start a small business. The Clinton plan will guarantee you health care that's always there.

PAYING FOR REFORM

Q: I like my health insurance. Why should I pay to insure others?

A: You're already paying to insure others. And you're doing it in the most expensive way possible. Because you're paying for people when they go to the emergency room, as opposed to keeping people healthy with preventive care. When someone without insurance goes to the hospital, don't think those costs disappear into thin air. Those costs are passed along to you and every consumer in higher premiums, $20 Tylenols at the hospital, and higher Medicaid and Medicare taxes in every state.

Under the Clinton plan, you'll be paying to insure yourself, as you do today, but you'll also be getting the peace of mind that, if you lose your job or get sick, you won't lose your insurance. Those without insurance will have to pay something for the first time and take responsibility for their own health coverage. And for the first time, you'll be paying for real insurance -- the security of knowing you will never lose your health coverage.

Q: How will this reform be paid for?

A: The system will be financed like we do today -- with a combination of premiums and taxes. The real difference will be that everybody will be covered and everyone will contribute.

But before we ask anyone to pay anything, we're going to aggressively control costs. We're going to put a cap on how much your premiums can rise. We're going to crack down on the profiteers who make a killing off the current system. And we're going to ask smokers to pay a little more for cigarettes to make up for the high health costs they add to the system.

And we'll ask everyone to contribute to their health coverage. Your contribution will go to your health plan to provide comprehensive benefits and health security -- the

guarantee that you will never lose your insurance. And the government won't collect or spend the money.

Q: Do I have to pay more taxes?

A: The only new tax will be a cigarette tax. There will be no broad-based tax. You may pay slightly more or less for your premium, depending on your current coverage.

CONTROLLING COSTS

Q: How are you going to control costs?

A: Health care costs have quadrupled in the last decade; estimates are they will eat up one of out every five dollars our nation spends by the year 2000 without reform. It's no wonder. Insurance companies are raising your premiums; drug companies are charging high prices for basic prescription drugs; and unnecessary paperwork and fraud are sending the costs of the whole system through the roof.

The Clinton plan will start getting costs under control. It will outlaw the insurance company practice of raising your premium if you get sick. It will force costs down by putting the consumers in the driver's seat -- and making the insurance companies compete for their business. It will insist that the insurance companies and drug companies charge fair prices.

It will crack down on fraud and eliminate excess paperwork. And it will change the incentives in the system so that doctors and health plans emphasize preventive care to save money by treating people before they get sick.

Only if we take these strong actions to control costs can we provide true peace of mind and security to all Americans.

QUALITY OF CARE

Q: Won't quality be sacrificed for the sake of cost savings in the new system?

A: Absolutely not. That's just an old scare tactic from the special interests that profit from the status quo.

The Clinton plan will improve the quality of American health care by covering a wide range of preventive services that will keep you healthy. It will encourage the most advanced hospitals to share technology with underserved rural and urban areas. It will increase the number of primary care doctors and nurses to give care.

And it will allow you to actually evaluate whether you're getting high-quality care. The Clinton plan will create a simple consumer report card -- so that doctors and hospitals are held accountable based on results, not on how many forms they fill out.

Most important, the Clinton plan will give American families the security that they will never lose their insurance.

Q: Won't a government budget on health care mean rationing?

A: No. That's just another scare tactic from the people who profit from the status quo. It's a smokescreen so they can hide from what we all know: if we don't get costs under control, we'll have health care that only the healthiest can get and the wealthiest can afford.

The Clinton plan will control costs in a number of ways -- including squeezing the waste out of the current system, putting a limit on how much the insurance companies can raise your premiums, and emphasizing preventive care. But most importantly, the Clinton plan will guarantee you health care that's always there. The budget is merely a way of ensuring that costs don't continue to spiral out of control.

BUSINESSES

Q: Won't this plan kill small business?

A: No. It's today's high cost of health care that's already killing small business. Insurance companies are charging small businesses an average of 30% more than big companies. Many insurance companies either won't cover small businesses and their employees or charge them high premiums that put insurance out of reach. As a result, millions of small business owners and their families are being denied the chance to get affordable insurance.

But despite considerable obstacles, 2/3 of small businesses provide insurance to their employees. Many of the remaining third would like to provide insurance but simply can't afford to. And some are simply getting a free ride. That's not fair. Because the drycleaners on Main Street that covers its employees has to pay more to make up for its rival across town that doesn't pay a thing.

The Clinton plan will actually lower costs for most small businesses that now provide insurance. First, it will aggressively control costs by cracking down on insurance companies and forcing them to give a discount to small businesses. Second, it will eliminate the paperwork that each small business now has to deal with. Third, it will pool small businesses and individuals to give them the same bargaining power in buying insurance that big companies have. Fourth, it will fold in the costs of workers' compensation. And fifth, it will provide 100% tax deductibility for self-employed.

The plan will be gradually phased-in, with government assistance, to ensure that small businesses that don't currently provide insurance can afford to cover their employees.

One interesting example is Hawaii. Hawaii passed a plan in 1974, the Prepaid Healthcare Act, that requires all businesses to contribute to the cost of their employees' health insurance. But small businesses have continued to thrive. In 1991, Hawaii was the nation's third fastest-growing state for small businesses, and Hawaii's unemployment rates are consistently among the lowest in the country.

Q: What will happen to big businesses? Will their costs go up?

A: Right now, health care costs for big businesses are increasing at rates as high as 14%. They're choking our ability to compete. The Clinton plan will limit the skyrocketing rate of increase in health costs that is currently crippling big businesses.

The Clinton plan will also bring costs under control by asking everyone to contribute to their health coverage. Right now, businesses that cover their

employees are paying for those that don't. That's not fair. The Clinton plan will ask all employers to take responsibility for covering their employees.

Employees will also be asked to contribute, but employees will never be asked to pay more than 20% of their premium and employers that cover everything now can still do so. Every employer will have the primary responsibility of giving employees the security that they will never lose their insurance.

JOB IMPACT

Q: Won't this plan cause massive job loss?

A: No. The "studies" on potential job loss resulting from health care reform are grossly exaggerated. First, they make false assumptions. Second, and were generated by groups who profit from the current system.

According to a University of Pennsylvania economist quoted in US News & World Report, "Reforming the health care system is not going to have a major impact on employment."

There is likely to be a slight shift in jobs in the health care industry. When the new system is up and running, more people will be directly giving health care and fewer people will be filling out forms. With millions of new people getting health coverage and an increased emphasis on preventive care, there will be more demand for primary-care doctors, nurses and other health providers.

Q: Won't your plan lead to job losses in the insurance industry?

A: Health insurance remains a small piece of the insurance industry. Efficient insurance companies are likely to do well and are likely to go into the business of running health plans. Others will put a greater emphasis on other kinds of insurance.

Looking at the health care industry as a whole, there will be a shift in jobs. More people will be directly giving care, and fewer people will be filling out forms.

PROVIDING HEALTH SECURITY

Q: **Will insurance companies be able to deny me coverage if I have a pre-existing condition?**

A: No. Right now, insurance companies can refuse to cover you if your daughter has asthma or if you're diagnosed with a heart condition -- and they do it all the time. Under the Clinton plan, that will be illegal. Insurance companies will have to accept you -- whether you're healthy or sick. And you'll have the security of knowing that no

one can ever take that insurance away from you. The Clinton plan will mean health care that's always there.

Q: Will I still have my health insurance if I switch jobs?

A: Absolutely. Right now, some workers are locked into their job because they fear losing their benefits. If they do switch jobs or lose their job, they place their family's financial and health security at risk. That's not right. It's got to change -- and it will. It will be impossible to lose your insurance if you switch jobs or lose your job.

The Clinton plan gives you the security that you will never lose your insurance. If you switch jobs, you keep your insurance. If you lose your job, you're still covered. Complete security -- no ifs, ands or buts. The Clinton plan guarantees health care that's always there.

REDUCING RED TAPE

Q: Won't government involvement in health care just mean more paperwork for everybody?

A: No. This plan keeps health care financing and delivery in the private sector. Right now, doctors, nurses and patients are buried under a blizzard of paperwork. If you go to the doctor, you've got to fill out a bunch of different forms; and the doctor's got to fill out a bunch more. It's a waste of everybody's time and money.

The Clinton plan will take all the forms offered by the 1500 different insurance companies and turn them into one. We'll cut costs and eliminate all the hassle. There will be less paperwork -- and better health care.

Q: I don't believe you. The government's going to be <u>more</u> involved in health care but there will be less micromanagement of doctors and hospitals?

A: That's right. This plan keeps health care financing and delivery in the private sector. In the current system, doctors and hospitals have to pass a lot of different inspections and fill out a lot of different forms. But none of it does very much to improve the quality of care. The Clinton plan will simplify the system -- in part by taking the forms from the 1500 different insurance companies and turning them into one.

Under the Clinton plan, the government will set standards -- high quality, choice of health plans and doctor, security that you'll never lose your insurance, controlled costs, universal coverage and reduced bureaucracy. The government is going to provide you with security and make sure you get safe care -- but then get out of the way. The government will <u>not</u> run the health care system.

THE NEW SYSTEM

Q: What are these health alliances anyway?

A: The health alliances are a simply a way to put consumers in the driver's seat -- to pool the bargaining power of small businesses and consumers in order to give them the same leverage with insurance companies as the big guys. The health alliances are also a way to provide consumer protection -- so that if the insurance company tries to rob you of your benefits, you won't be alone -- and the law will be on your side.

They'll be run by consumers and local businesspeople; they'll make sure that every plan provides the comprehensive benefits package; and they'll give you consumer report cards to evaluate health plans on quality and patient satisfaction.

Q: Isn't it true that managed competition is untested?

A: The Clinton plan is not managed competition. It draws on elements of many different ideas that have been put forward to reform our health care system.

More importantly, it draws on the best models -- at work today in communities all across America -- because we know that what works in North Dakota won't work in New York. The plan will be a uniquely American solution to an American problem.

The plan is based on the following principles: providing security for American families; controlling skyrocketing costs; improving the quality of care; increasing choice of doctors and health plans; and simplifying the system.

RURAL AND URBAN AREAS

Q: What are we going to do to get doctors into rural areas? How can "managed competition" work in places where there is no competition?

A: Right now, two-thirds of rural counties do not have enough doctors. It's no wonder. Rural doctors provide more charity care than any doctors in the country, and they often get paid late. In many cases, rural doctors can't even take a day off because there isn't another doctor for miles around.

The plan will include incentives for doctors to practice in rural areas, and it will help break the isolation of rural doctors by encouraging networks with regional medical centers, hospitals and other doctors. By sharing skills through technologies like video, it will give rural residents access to the kind of care once available only at major medical centers.

In addition, the Clinton plan will give rural residents the bargaining power they need to get affordable coverage and access to high-quality care. But the plan does not try to use the "managed competition" model in all areas of the country.

Q: How will this reform help people that live in cities get high-quality care?

A: First, by providing a comprehensive benefits package to all Americans that emphasizes primary and preventive care. In today's system, too many Americans end up in the emergency room because they didn't get the primary care they needed. That's not right, it costs the system too much money, and we're going to change it.

And second, it will increase the number of doctors in urban areas by providing incentives for doctors to practice in cities and expanding the National Health Service Corps to reach more people in cities.

DOCTORS AND OTHER HEALTH PROFESSIONALS

Q: Will physicians be able to practice as they do now -- or will Big Brother look over their shoulder?

A: Let's get one thing straight. Under the current system, doctors have too many people looking over their shoulders, second-guessing their professional judgement. And over the past twelve years, increased regulation by the government has meant more time filling out forms and less time caring for patients.

The Clinton plan will change that. It will create a single insurance form -- so doctors don't have to figure out the thousands of different forms used by over 1,500 different insurance companies today. It will simplify peer review and coordinate inspections.

It will protect Americans' health safety and make sure you get the best care possible, but stop Washington from micromanaging doctors. So that doctors will be freed up to do what they do best -- deliver the highest quality care in the world.

Q: **Will the new system reduce doctors' independence and force them into a group** practice or HMO?

A: No. Doctors will be able to continue their private practice, enter a group practice, join a network of doctors and hospitals or enter into several different arrangements. It's up to each doctor.

Q: Will this plan do anything about all those lawsuits?

A: Yes, it will. In the current system, doctors are forced to spend too much time practicing "defensive medicine" -- performing extra tests because they're looking over their shoulders for lawyers. It's not helping to improve care or protect patients -- but it is helping to drive doctors out of the profession and make costs go sky-high.

The Clinton plan will include serious malpractice reform that protects doctors and patients but reduces frivolous lawsuits. It will require everyone to try alternative forms of dispute resolution before going to court. And it will let doctors return to what they were trained to do -- delivering the highest quality of care in the world.

OLDER AMERICANS

Q: Will I be able to stay on Medicare?

A: Yes. Older Americans will still be able to receive their Medicare benefits as they do today.

In fact, Medicare beneficiaries are likely to have more choices after reform -- they can continue to get care the way they do today or they may be able to get their Medicare benefits through different health plans offered under the new system.

The Clinton plan will also help make prescription drugs affordable for older Americans, and offer new options for long-term care.

Q: How can you have a comprehensive health reform package that doesn't comprehensively cover long-term care?

A: This plan will take the biggest step forward ever to address the need for long-term care. Today, families all over this country live with the constant fear that they're not going to be able to take care of their parents when they get older. And those with severe disabilities face tremendous financial troubles.

The Clinton plan takes vast strides toward covering home- and community-based care -- the kind of care that people have the least access to now. It will put a special emphasis on creating ways for older Americans to continue to live in their own home and communities with dignity and independence. And it gives you the security that your parents or relatives with disabilities will get the care they need as they grow older.

MISCELLANEOUS

Q: Why are we changing so much about health care?

A: Right now millions of American families live in fear of losing their insurance, getting some of their benefits taken away, or getting sick and stuck with an astronomical bill. The Clinton plan will provide American families with the security they deserve.

We've had too many studies, reports and commissions. We know the system's broke -- it's time to fix it. And only comprehensive reform can fix what's wrong and protect what's right.

The Clinton plan will keep what works -- we'll improve the quality of care and maintain your right to choose a doctor. If you like your health care now, you probably won't see much day to day change after reform.

But the system has got to change. Today the insurance companies have all the power. They pick and choose among consumers -- only covering healthy people and making a healthy profit. The Clinton plan will put consumers in the drivers' seat so that consumers get to pick and choose -- not insurance companies.

Q: I'm a veteran. What's going to happen to my health coverage?

A: You will get the same comprehensive benefits package as all Americans. Veterans will have the choice of either joining the VA health plan in their area or a health plan used by non-veterans. The VA will have the option of organizing its hospitals and clinics into health plans.

Q: Will the plan cover undocumented immigrants?

A: No. Only American citizens and other legal residents will be able to get the comprehensive benefits package. But undocumented residents that currently receive coverage under community-based programs and Medicaid will continue to do so.

Q: When is the President going to release his plan?

A: The American people demanded action on health care in the 1992 election, and the President is committed to passing health care reform as soon as possible. He is still consulting with members of Congress and others on exactly when to introduce his plan this fall.

Q: I heard this plan was cooked up by a bunch of government bureaucrats. Why weren't there doctors involved?

A: More than 100 doctors, nurses and other health professionals took part in the President's Task Force on Health Care, which was the most thorough and inclusive policy-making process in American history. The process directly involved more than 500 people from all over the country. And Mrs. Clinton, the Task Force, and other members of the Administration have had more than 1100 meetings to get advice and input from groups.

SMALL BUSINESSES AND HEALTH CARE

SMALL BUSINESSES AND HEALTH CARE:

The Clinton plan for health reform will protect small businesses from rapidly rising costs.

It will bring small businesses together, giving them the buying power of large groups to bargain for better, less expensive health care. For small businesses that currently provide good health benefits, the plan will reduce costs. It will end the system that makes responsible businesspeople pay higher health costs because other businessmen do not cover their employees. And for those who do not currently provide benefits, it will phase in coverage and help them if they face financial trouble. The Clinton plan will:

- **Outlaw Insurance Company Practices That Hurt Small Businesses:**
Small businesses are being driven into bankruptcy by a health care system stacked against them. Many small business owners encounter obstacles like:
  - occupational redlining, a practice where insurers will simply refuse to cover entire industries perceived to be high risk;
  - medical underwriting, basing premiums on medical history;
  - experience rating, where insurers jack up costs if one employee becomes ill or is injured.

Small businesses then face a near-impossible choice: they can retain their policy but pay huge premium hikes each year; drop the policy and try to find coverage; exclude the sick workers from the policy; or go without insurance. Health reform will prohibit insurance underwriting schemes that send small business premiums through the roof. And the Clinton plan will make it illegal for insurance companies to refuse to cover anyone for any reason. The plan will also prohibit charging sick people more than healthy people -- or not covering sick people at all.

Tom Child is President of a 123 year-old stamp manufacturing company in Des Moines, Iowa. Five of his 30 employees have had severe health problems over the past few years, causing his premiums to escalate above <u>$500 each month for every worker</u>. He refuses to fire those people in order to cut down on the premiums. *Instead, he's been forced to ask his workers to pay for half of their premiums; some have had to look for other jobs.*

- **Cut Administrative Costs For Small Businesses:**
Our plan will cut administrative waste and paperwork that drive up costs for small businesses. Although the administrative costs for larger companies are often as low as 5 cents of every dollar paid in health premiums, the cost for small businesses can be as high as 40 cents of every dollar. Under the Clinton plan, small businesses will purchase insurance together in health alliances, eliminating duplicative paperwork. The plan will also reduce costs by covering work related injuries through the health plans -

- eliminating duplication and improving quality for workers who receive services.

- **Provide Discounts For Small Businesses:**
Premiums are increasing, and rates rise faster for small businesses than for big employers, as much as 50% in a given year. Insurance reform will end the practice of charging small companies higher rates than they charge large companies. The Clinton plan will reduce health costs for small businesses that provide comprehensive coverage. Two-thirds of small businesses already offer insurance for their employees and their families. The Clinton plan will provide financial assistance to make it possible for all small businesses to cover their families and employees. Small businesses will be able to combine their purchasing power to negotiate with insurance companies for high quality care at affordable prices.

- **Reduce High Workers Compensation Costs:**
Workers compensation is becoming more and more of a burden to small business owners. Today's high health care costs are surpassed only by skyrocketing workers' compensation costs.

Carl Anderson, a California machine shop owner, had not had a claim filed against his company for two years. His workers comp company sent him a letter to acknowledge his clean record. Then they promptly raised his rates. Carl has one full-time employee and would hire another, but workers' comp costs prevent him from doing so.

- **Provide 100% Tax Deduction For the Self-Employed:**
The Clinton plan provides for a permanent 100% tax deduction for the cost of the comprehensive benefits package for the self-employed. Prior to July 1992, a self employed individual was only allowed to deduct as a business expense up to 25% of the cost of health care coverage. The deduction sought to reduce the disparity between the tax treatment of the self-employed and other businesses -- who are allowed to deduct the full cost of coverage. However, this deduction was temporary, and it was allowed to expire last July.

- **Control the Volatility of the Insurance Market:**
The volatility of the small business insurance market causes rates to differ widely between similar plans, and premiums to increase with little or no warning or reason. A Blue Cross/Blue Shield study found that nearly identical benefits packages can vary by as much as 350%. Community rating will ensure that everyone living in the same area pays a similar price for a similar plan.

SMALL BUSINESS, AND HEALTH CARE COSTS
THE CLINTON HEALTH SECURITY PLAN*

Small businesses face higher costs and volatile insurance premiums. The Clinton plan will control these burdensome costs.

TODAY	THE CLINTON REFORM PROPOSAL
High Administrative Costs: Higher administrative costs kill small businesses. These costs account for as much as 40% of premiums, compared to about 5% for large companies.	**Cuts Administrative Costs:** Administrative costs will be dramatically reduced by the formation of health alliances, which will streamline and simplify administrative functions.
Faster Rising Costs: Premiums for small employers rise at a faster rate than for other employers -- as much as 50% in any given year. [NAM]	**Aggressively Controls Costs:** Health reform will aggressively control costs through market based competition backed up by enforceable budgets.
Inequitable Self-Employed Tax Policy: Today, unlike big businesses, small, self-employed businesses cannot deduct 100 percent of their health care expenses. This has the practical effect of further increasing the cost of insurance that is already priced higher than that available to larger firms.	**Increases Deduction to 100% for Self-Employed**: The Clinton plan will ensure that the self-employed are treated equally under our nation's tax policy, allowing them to deduct the full value of their health insurance coverage.
Workers' Compensation Costs: In today's system, high health care costs are surpassed only by the skyrocketing costs of workers' compensation insurance. Between 1980 and 1985, workers' compensation medical costs grew more than 1.5 times as faster than medical costs, and now account for $24 billion a year in health care expenditures.	**Reform Workers' Compensation:** The Clinton plan reforms the health component of workers' compensation insurance, making it more efficient and reducing costs by covering work related injuries through health plans in the same manner as non-work related injuries -- eliminating duplication and improving quality for workers who receive services.
Small Employers Have No Control: Small businesses and their employees have little or no ability to determine the level of premiums they pay or the information they receive about the services [illegible] provide.	**Assures Employers a Place on Alliance:** Business owners will sit on alliances to ensure sensitivity and responsiveness to their administration and quality needs.
Volatile Costs: Small businesses face large variations in the costs of similar plans. Nearly identical benefits packages can range in price by as much as 350%. [Blue Cross/Blue Shield, Survey of Six Sample Plans, January 1992]	**Stabilize Costs:** The Clinton plan will stop the wild fluctuation of premiums in the small group market through community ratings and insurance reform. We will outlaw discriminatory pricing and ensure smaller predictable cost with aggressive cost controls.

*All answers are based on assumptions of policies which have yet to be finalized or released.

SMALL BUSINESS AND INSURANCE ABUSES
THE CLINTON HEALTH SECURITY PLAN *

Many insurers discriminate against small businesses, often charging more for similar policies or refusing to provide coverage at all. The Clinton plan will outlaw these practices:

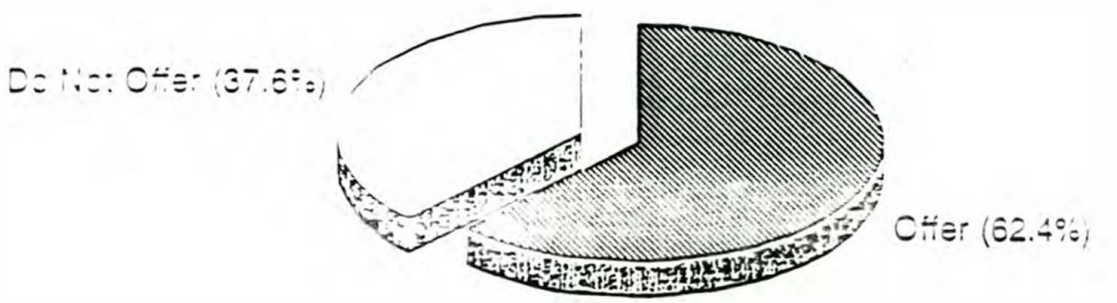
TODAY	THE CLINTON REFORM PROPOSAL
Hassle Factor: Small business owners who cover their employees spend inordinate amounts of time trying to figure out a maze of insurance policies, forms, and requirements. What's worse is that the rules of the game are changed all the time; the fine print rides conditions and denies employers' coverage when their employees need it most.	**Eliminates Hassle:** The employer no longer has to worry about the headaches of administrative costs, or of selecting insurance for his/her employees. The employer/employee-run health alliance negotiates rates, provides information on plans, and increases ease of enrollment. The employee chooses the plan, and the employer pays a fixed amount, regardless of choice.
Small Risk Pool: Fewer employees mean a smaller pool to share the risk. Insurers frequently charge more for these policies.	**Spreads Risk Evenly:** The plan consolidates small businesses in purchasing pools to give them the same bargaining power as large firms.
Underwriting and Experience Rating: Medical underwriting - the practice of basing premiums on perceived risk and medical history - unduly harms small businesses, as does experience rating - when insurers jack up costs after an employee falls ill or gets injured.	**Prevents insurers from raising rates or dropping coverage after illness strikes:** The Clinton plan will reform practices such as underwriting and experience rating. Under the Clinton plan, you can drop your health plan, but it can't drop you.
Price Baiting and Gouging: Many insurers engage in "price baiting and gouging" offering small business "discount" rates for the first year of coverage only to charge much higher prices in the next year when pre-existing condition exclusions expire.	**Outlaws Price Baiting and Gouging:** The plan will end the days when insurers can raise and lower premiums at their whim. We will bring predictability and fairness to the cost of insuring families and workers.
"Occupational Redlining:" Some insurers simply refuse to cover entire industries perceived to be high risk.	**Covers Everyone:** The Clinton plan "occupational redlining;" insurers must provide coverage to all industries.
Refusal to Renew Policy: After a first year of reasonable rates, small businesses often face higher costs and difficulty obtaining renewal.	Guarantees Renewal. The Clinton plan guarantees insurance renewal and stabilizes premiums.

*All reform scenarios are based on assumptions of policies which have yet to be finalized or released.

A MAJORITY OF SMALL BUSINESSES PROVIDE COVERAGE

TODAY	REFORM
A Majority Provide Coverage: Today, 62% of American businesses with less than 100 employees provide health care coverage to their employees. And 51% of those with less than 25 employees provide health care coverage. **Small businesses that provide coverage pay for those who don't.**	**Everyone Provides Coverage:** Under the reform plan, all employers and employees will contribute towards premium costs. Small businesses who provide coverage will no longer pay for those who don't through cost shifting. We will cap the amount small businesses are required to pay and provide subsidies for those in need.

The Majority of Small Businesses Offer Health Insurance to Their Employees



For Firms with Less than 100 Employees

Source: Dept. of Labor: Based on SBA Calculation of May 1988 CPS Survey Data

SMALL BUSINESS AND HEALTH REFORM:
Questions and Answers *

The following questions and answers address many of the most common concerns of small business owners.

Q. Won't this plan kill small business?

A. No, it's today's high cost of health care that's already killing small business. Today, insurance companies are charging small businesses an average of 30% more than big companies. Many insurance companies either won't cover small businesses and their employees or charge them high premiums that put insurance out of reach. As a result, millions of small business owners and their families are being denied the chance to get affordable insurance.

But despite considerable obstacles, 2/3 of small businesses provide insurance to their employees. Many of the remaining third would like to provide insurance but simply can't afford to. Others are simply getting a free ride. It's not fair that the drycleaners on Main Street that covers its employees is paying more to make up for its rival across town that doesn't pay a thing.

The Clinton plan will actually lower costs for most small businesses that now provide insurance. First, it will outlaw insurance company practices such as underwriting and experience rating, and force them to give a discount to small businesses. Second, it will eliminate the paperwork that each small business now has to deal with. Third, it will pool small businesses and individuals to give them the same bargaining power in buying insurance that big companies have. Fourth, it will fold in the costs of workers' compensation. And fifth, it will provide 100% tax deductibility for self-employed.

The plan will be gradually phased-in, with government assistance, to ensure that small businesses that don't currently provide insurance can afford to cover their employees.

One interesting example is Hawaii. Hawaii passed a plan in 1974, the Prepaid Healthcare Act, that requires all businesses to contribute to the cost of their employees' health insurance. But small businesses have continued to thrive. In 1991, Hawaii was the nation's third fastest-growing state for small businesses, and Hawaii's unemployment rates are consistently among the lowest in the country.

COST-CONTAINMENT

Q. How is this reform plan going to keep the costs of health care down for small business owners?

A. The Administration's proposal controls costs by bringing the force of the market place to bear upon the health care system. Health alliances will band families, businesses, and individuals together to bargain for lower costs and better quality of services. Costs will be kept low by market forces and guaranteed by a fail safe budget enforcement mechanism should health expenditures rise too fast.

Administrative costs, which account for most of the higher costs paid by small businesses, will be reduced by the creation of health alliances, which will assume administrative functions, and simplification of the system -- standardization of forms and benefits packages.

Business representatives will serve on the board of the health alliances and will be involved in cost negotiations with health plans.

The plan will outlaw insurance abuses - including underwriting and experience rating, which lead to higher costs for small business and guarantee predictable, lower costs.

In addition, increasing the deduction for self-employed to 100% and reforming the medical component of workers' compensation will significantly reduce costs for many small business owners.

Q. **How can I afford to provide the health benefits package to my employees and still remain profitable?**

A. The Clinton plan ensures that the cost to small business to provide health benefits does not exceed its ability to pay. We will cap the amount small businesses have to pay for premiums, keep premiums low for small, low-wage businesses, and make subsidies in avoidable with need.

SELF-EMPLOYED -- 100% DEDUCTION

Q. **Will health reform address the inequity in the tax law that forces the self-employed small business owner to pay higher taxes for their health benefits?**

A. Yes. Health reform will expand and make permanent a 100% tax deduction for the cost of health benefits bought by self-employed workers and their families.

*All answers are based on assumptions of policies which have yet to be finalized or released.

WORKERS' COMPENSATION

Q. I already face astronomical workers' compensation costs. How can I be expected to pick up health insurance as well?

A. The cost of workers' compensation insurance is killing many small businesses. In fact, today's high health care costs are surpassed only by skyrocketing workers' compensation costs. Between 1982 and 1992 the average workers' compensation medical claim that included time lost from work rose from $2,584 to $8,900.

That's why our reform plan will reform the medical component of the workers' compensation system making it more efficient and reducing costs by covering work related injuries through health plans in the same manner as non-work related injuries -- eliminating duplication and improving quality for workers who receive services.

PART-TIME EMPLOYEES

Q. Will we have to cover everyone, or for example, will part-time employees be exempt?

A Employers will pay an hourly pro-rated amount for part-time workers. So an employer would pay the same amount for two part-time workers, each of whom work 15 hours a week, as he would for one full time worker who works 30 hours.

THE EMPLOYER MANDATE

Q. What do we as small business owners possibly stand to gain by being forced to provide coverage to our employees?

A. As small business owners and as individuals you gain the security of knowing that no member of your family and no employee will go without needed medical care because of lack of health insurance. You gain the ability to compete with larger businesses for top employees. And you gain the security that you and your business will never be bankrupted by a serious illness or injury.

The Clinton plan also lowers costs for responsible businesses. Small businesses that provide coverage should not have to compete against other businesses that don't cover their employees. Under today's high cost system, six of ten small businesses (with fewer than 100 employees) make the sacrifices necessary to cover their employees. When a competitor's employee doesn't have coverage and ends up in the emergency room, and they end up picking up; that's just not fair.

PRICE DISCRIMINATION IN THE SMALL GROUP MARKET

Q. One of my employees developed a serious illness. Because he got sick, my insurance costs went through the roof. I can't afford to provide health insurance and stay in business.

A. Under our plan, insurance companies will no longer be allowed to charge discriminatory rates to small businesses who have sick workers. Everyone in working and living in the same area will pay a similar amount for their health coverage -- a concept known as community rating. The plan will outlaw practices like cherry picking (covering only the young and the healthy) and pre-existing condition exclusions (where an illness or an entire person is excluded from coverage). We will require all insurers to play by the same rules in order to participate in the reformed health insurance market.

REFORM GIVES SMALL BUSINESS THE CLOUT OF BIG BUSINESS

Q. Why should we as small business owners support any government sponsored plan when in the past the government has favored big businesses?

A. This plan has been written with the specific concerns of small businesses in mind. The President and I are committed to putting forth a health reform plan that works for small business. We know that small business generated 90% of all job growth in 1990. No former Governor of Arkansas - a state in which over 90% of the businesses have fewer than 20 employees - gets elected five times without being sensitive to the concerns of small business.

Q. Won't this reform simply increase the economic gap between large and small businesses?

A. No. Health reform will help small businesses bridge the economic gap by allowing small businesses to band together to obtain the bargaining power of large corporations. Small businesses will combine their purchasing power to negotiate with insurance companies for high quality care at affordable prices. Insurance reform will end the practice of charging higher rates to small businesses than they charge Exxon or General Electric.

JOB LOSS AND BUSINESS FAILURE

Q. I'm scared that this plan will drive me out of business. How can you assure me that health reform will not produce massive job loss and business failure among small businesses?

A. Some special interests are trying to scare small employers into thinking that this plan will kill small business. That's just not true. The truth is everyone will benefit from cost containment, insurance reform and universal coverage. The U.S. Chamber of Commerce would not have endorsed the concept of a required employer contribution if such a requirement would hurt small business.

Although 95% of businesses in Hawaii have less than 100 employees, the states employer requirement has not had an adverse impact on the state's economy. The number of businesses in Hawaii has increased steadily from about 17,000 in 1974, the year the mandate was enacted, to nearly 27,000 in 1991 -- a 59% increase.

PAPERWORK AND ADMINISTRATIVE BURDEN

Q. Will my work-load increase as a result of this reform (i.e. more paperwork etc.)?

A. No, the Administration's plan will decrease the work-load. Today, lacking a benefits department like larger firms, most small business owners must perform all the functions of such a department by themselves. Negotiating health coverage in today's health care system is a process often fraught with frustration and obstacles.

We will take the burden off the small business with health alliances which will deal with the insurance companies and bargain for competitive prices. The alliance will take over the paperwork and the negotiations; provide information on plans and increase ease of enrollment. Higher administrative costs will be reduced and the hassle of the current system will be eliminated.

SMALL EMPLOYERS AND HEALTH CARE:
The Current System

MOST SMALL BUSINESSES CURRENTLY PROVIDE HEALTH INSURANCE:

- Despite rising health insurance premiums, about 75 percent of businesses with fewer than 100 employees provide coverage. [Employee Benefit Research Institute; New York Times, 5/3/93]

SMALL BUSINESSES' HEALTH COSTS RISE FASTER THAN LARGE COMPANIES':

- A survey by the National Association of Manufacturers reported that premiums for small employers continued to rise at a rate 50 percent higher than for all other employees. [National Small Business United]

- Small businesses experience annual health insurance premium increases as high as 50 percent in recent years. In one recent year, a third of small business owners saw their premium costs increases more than 25 percent. [Washington Post, 1/26/93; Arthur Andersen, 7/92]

ADMINISTRATIVE COSTS BURDEN SMALL BUSINESS:

- Small employers pay substantially higher administrative costs than large companies. Administrative costs consumed 40 cents of every dollar paid in total health premiums for businesses with less than five employees. Administrative costs for large companies often are as low as 5 percent. [CBO, 10/92]

INSURANCE COMPANIES DISCRIMINATE AGAINST SMALL BUSINESS:

- Insurance companies **"blacklist"** large sectors of the small business market and refuse to sell these small businesses insurance at any price. [New York Times, 2/5/90]

THE SMALLEST COMPANIES ARE HARDEST TO INSURE:

- The fewer employees a business has, the less likely it is to find affordable coverage. More than a third of workers in companies with fewer than 10 employees have no insurance. [EBRI in New York Times, 5/3/93]

THE TASK FORCE PROCESS: POLICYMAKING THROUGH CONSULTATION

THE CLINTON HEALTH SECURITY PLAN
An Inclusive Policy Development Process

"Listen to all parties and prepare health care reform legislation . . ."
President Clinton, January 25, 1993

President Clinton formed the Task Force on National Health Reform in January with a clear charge: Reject the traditional way of doing business in Washington -- where a few people draft legislation in a back room, never including the people who will be affected by the policy. Instead the President asked the Task Force to *"listen to all parties"* and consult widely with all of the people whose lives will be helped by health reform.

Special Interest Consultation

In **the most open policy making process in history,** the President structured the system to encourage participation from the American people, all categories of health care providers, the business community, and every level of government. Since the process began, the White House has actively reached out for advice -- bringing in **more than 1,150 groups** to meet personally with the President, the Vice President, the First Lady, Tipper Gore, Secretary Shalala, Ira Magaziner and working group members.

More than **1,500 meetings** have taken place to date with health care providers, consumers, business, and labor groups. They include:

- Over 55 physicians groups
- 40 nurses groups
- Over 50 hospitals from across the country
- 69 medical colleges
- 15 seniors groups
- 24 groups focusing on long-term care issues
- 19 groups representing the disability community
- 70 groups specializing in mental health issues
- 22 women's groups
- 30 children's advocacy groups
- 64 minority organizations
- 16 rural groups
- 92 groups representing small and large businesses
- 33 labor organizations

All groups were encouraged to submit written proposals and recommendations to the Task Force, which formed the basis for debate and policy development. As policy options were narrowed and recommendations prepared, the First Lady and White House officials have continued to consult on a daily basis with a wide range of groups -- with the expertise and the practical experience to analyze the President's health care reform proposal in light of its "real world" applications.

Congressional Consultation

In developing its health care reform proposal, the Health Care Task Force has based its research and policy options on the significant foundation of work that many Members of Congress have laid in the last 20 years. In order to benefit from this expertise -- and build strong, bipartisan support -- the Task Force has **regular, broad-based, and substantive consultation** with Members of Congress, including an **extensive bipartisan outreach** effort.

- Senate Majority Leader Mitchell, House Majority Leader Gephardt, Senate Republican Leader Dole, and House Republican Leader Michel have been appointed Congressional Liaisons to the Health Care Task Force;

- Since the Task Force was formed, Task Force Representatives have had 189 meetings with Members of Congress -- including 95 meetings held by the First Lady. The First Lady has discussed health care reform with more than **90 Senate Democrats and Republicans**, and well over **160 House Democrats and Republicans**, including meetings with the members of the Black, Hispanic, and Women's Caucuses, the Rural Health Coalition, Mainstream Forum, and the Conservative Democratic Forum;

- The First Lady, Ira Magaziner, and Judy Feder, of the Department of Health and Human Services, have established a close cooperative relationship with the Committees that have primary legislative jurisdiction over health care -- holding numerous one-on-one and group meetings with the House Ways and Means Committee, the Senate Finance Committee, the House Energy and Commerce Committee, the Senate Labor and Human Resources Committee, and the House Education and Labor Committee;

- The Health Care Communications team holds weekly "Message Meetings" with key Congress people to discuss the best manner in which to bring the message of health care reform to their constituents and invest the American people in the President's health security plan;

- Working group leaders have briefed Members and Congressional staff from both parties on specific components of the health care options currently being proposed and analyzed;

- In an unprecedented attempt to draft legislation in consultation with Congress, more than **150 Congressional staff members** were members of the working groups, actively participating in the day-to-day development of policy options.

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ENERGY ADVICE

If Clinton has ears to listen, oil industry has message

President Clinton has ordered his secretary of energy, Hazel O'Leary, to come up with the outline for a new domestic energy policy by Labor Day.

Good. There is much to be done. And, if the administration has ears to listen, the domestic oil and gas industry has much constructive advice to offer.

It is unfortunate that the need for a more cohesive national energy policy has been so much obscured by the fight over the federal budget and the long-anticipated debate over national health care reform.

Proper energy policy is no less urgent. Petroleum imports are pushing toward 50 percent of national consumption, and could stand at 70 percent by early next century unless trends are reversed. Besides the self-evident ramifications for national security, this circumstance continues to add billions to the country's trade deficit.

Meanwhile, the situation in the domestic energy sector, well known to Houstonians but scarcely noticed elsewhere, is critical.

Quietly, the domestic industry is being all but dismantled. Over the past decade, more than 400,000 jobs have been lost in the oil and oil services sectors. In the summer of 1993, the domestic rig count — the number of oil and gas drilling rigs working, the traditional barometer of the industry — is less than one-fifth of what it was at its peak in the early 1980s.

The country is increasingly vulnerable to a cutoff in supplies and to price manipulation by the Organization of Petroleum Exporting Countries. What is worse, years of cheap and plentiful oil have lulled Americans into a false sense of energy security.

[illegible] been its own worst enemy. When it comes to making a case to the Washington politicians and the American public, the industry's approach has more often than not been clumsy and [illegible]

[illegible] also contribute greatly to another Clinton priority — safeguarding the environment.

The Independent Petroleum Association of America, the national organization of independent oilmen, has identified three priority areas for dealing with the industry's most serious concerns: capital formation, regulatory certainty and access to resources and technology. These appear to offer a sound framework for making constructive changes in policy. If it is willing, the Clinton administration can help make a difference for the better in each of these areas. Specifically:

■ Capital formation: Creating a floor on oil prices would foster stability in the oil markets, making domestic drilling more attractive for investors. Less price volatility would also save thousands of marginal "stripper" wells which become uneconomic as prices fall. The recent drop in oil prices of $3-$4 a barrel means that thousands more marginal wells will almost certainly be abandoned, their production lost forever. Instituting a price floor would help put a halt to that.

■ Regulatory certainty: Communication between regulatory agencies would bring savings to the industry. The use of long-term natural gas contracts could also be expanded. On this latter point, the industry can help itself by clearing up lingering impressions that gas supplies are unreliable and short.

■ Access to technology and resources: From the standpoint of risk to the environment, drilling for new domestic oil supplies is vastly preferable to the risks of damaging spills posed by the increasing traffic of tankers now transiting American ports. But first, those supplies must be made more widely available for drilling. Currently, no less than 1.24 million acres of the total 1.45 million offshore acres owned by the federal government are off-limits to development for one reason or another.

What is more, the Clinton administration is committed to stopping new efforts to drill for oil and natural gas offshore. Such a policy defies common sense. It should be reconsid[illegible]

One educated and highly placed ear-to-listen in the Clinton administration's Energy Department belongs to Houstonian Bill White, the deputy secretary. White has long experience dating back to the [illegible] in the field of [illegible]

[illegible] is revenue-neutral — without cost to taxpayers. That should be documented and made more widely known in Washington's corridors of power.

If the political capital can be found to take them, these steps to strengthen the domestic oil and gas industry offer the country a bargain.

Embassy of the United States of America

August 11th

Dear Mr. ~~President~~ Bill,

When you were in Tokyo you met our second son, Tim, the saxophonist in the family. He recently made a record for Concord that was released in late spring. I thought you might enjoy it. Tim and Niki (the gorgeous young British lawyer whom you also met) are getting married on Sunday in Denver. No — the Pope is not doing the ceremony! My sister is the minister of the Baptist Church in Denver, and she will preside.

Congratulations on getting the Budget Bill passed, and all best wishes for the future. If we can be of assistance, you will find us happily squirreled away in the Stanford University library.

Warm personal regards to you and Mrs Clinton

Mike Armacost

ARMACOST