

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Susan Julia Ross to POTUS (1 page)	07/08/1993	b(6)

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 1390

FOLDER TITLE:

August 28-31, 1993 [2]

2018-0662-S

rs3065

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE
WASHINGTON

Chow
DATE: August 31, 1993

TO: Roy Neel, Marcia Hale, Keith Mason

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

For Your Information

Chron

*copies sent to
Roy Neel, Marcia
Hale, Keith Mason
8/21*

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT
8/31/93 25

83 AUG 27 P7:07

AUGUST 27, 1993

RECOMMENDED PHONE CALL

TO: GOVERNOR ROY ROMER OF COLORADO
Capitol (303) 866-2471 Mansion (303) 837-8350

DATE: MONDAY, AUGUST 30 or TUESDAY, AUGUST 31

RECOMMENDED BY: ROY NEEL, MARCIA HALE AND KEITH MASON *KM*

PURPOSE : To thank Governor Romer for the outstanding job he did at the National Governors' Association annual meeting in Tulsa two weeks ago and also to thank him for the leadership he provided for the NGA during the past year.

BACKGROUND: Governor Romer has been chair of NGA for a year and concluded his term of service as chair at the close of the annual meeting. He prevented any potential controversies from arising at the Tulsa meeting that might have been harmful to the President's health care plan. Governor Romer also orchestrated the passage of the health care resolution which called for bipartisan cooperation.

TOPICS OF DISCUSSION:

1. Thanking Governor Romer for the job he did in Tulsa.
2. Thanking Governor Romer for his outstanding leadership as chair of NGA.

CONTACT PEOPLE: MARCIA HALE - x7060
KEITH MASON - x2896

DATE OF SUBMISSION: FRIDAY, AUGUST 27, 1993

ACTION: _____

Cron



THE WHITE HOUSE

WASHINGTON

8/30

Roy -

I had a great time in Colorado - The NGA meeting in there was great, Thanks to you - You were a wonderful host coach -

Thanks, too, for your offer to serve -
But,
Tim

THE WHITE HOUSE
WASHINGTON



DATE: 8-31-93

NOTE FOR: DAVE GERGEN, GEORGE S., TONY LAKE

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:

THE PRESIDENT HAS SEEN

Straight as a bow
We should consider
this I think

B.

President Clinton





FOREIGN AFFAIRS

58 EAST 68TH STREET, NEW YORK, NY 10021 ■ TEL (212) 734-0400

JAMES F. HOGE, JR.
EDITOR

August 25, 1993

Dear Mr. President:

I enjoyed seeing you and Mrs. Clinton at the Jordans' and Kay Graham's dinner parties. I hope this island is providing you and your family the enjoyable vacation you have earned (for once, no August crisis!)

I am enclosing an advanced copy of the new issue of Foreign Affairs plus a copy of the summer issue. They don't make for light beach reading. Still, I thought you would appreciate



FOREIGN AFFAIRS

2

58 EAST 68TH STREET, NEW YORK, NY 10021 ■ TEL (212) 734-0400

JAMES F. HOGE, JR.
EDITOR

The debate on NATO in the fall issue and the exchange of opinions over the two issues on tensions between civilizations.

Shortly, it will begin work on the 'turn-of-the-year' issue of Foreign Affairs—the one devoted to a look ahead in international affairs based on the developments of the year just ended. Let me suggest that it would be an appropriate time and the right forum for you to provide an extended statement of United States



FOREIGN AFFAIRS

3

58 EAST 68TH STREET, NEW YORK, NY 10021 ■ TEL (212) 734-0400

JAMES F. HOGE, JR.
EDITOR

foreign policy interests based on how you view the world after a year in office.

I would propose a question-and-answer interview by me and Foreign Affairs' managing editor. You would have the opportunity to review and edit the text for clarity and accuracy of views prior to publication.

I will follow up with your office in September to see if such an interview can be arranged for early December.

In the meantime, I wish you vacation pleasures in the waning days of summer and success in the Washington battle of the fall -

Since , in Hoge

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: TONY LAKE

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: SECRETARY CHRISTOPHER

THE PRESIDENT HAS SEEN



JIMMY CARTER

August 10, 1993

cc: W. Clinton

Tony / cc: W. Clinton
soon very good info
some specific want
followed up on
2 info in letter that we've
brought off working up him to come
a Bank Admin Dev -
we need to respond and
I need to know what the Dev is

To President Clinton

Since I have always made a brief report to the White House and State Department on my overseas trips, I want to cover some pertinent points on our visits to six African countries during the past two weeks, from 7/27/93 - 8/8/93.

Benin: Benin is a model of democracy and stability in the region, between troubled Nigeria and catastrophic Togo. President Nicephore Soglo, having been elected in 1991, has brought an end to 17 years of communism and is the recently reelected leader of the 13-nation ECOWAS organization. The weekend before we arrived, he had presided over the peace agreement for Liberia. As a World Bank executive for 10 years, he is respected for both his political and economic leadership qualities.

* [Suggestion: That Soglo be invited now for an official visit to Washington at some convenient future date, to recognize his status and to benefit from his knowledge and advice. He can be of great benefit, for instance, in keeping the Liberia peace and democracy effort on track.

General information: Our primary purpose in going to Benin was to analyze our agriculture programs in Benin, Togo, Ghana, Tanzania, Sudan, Zambia, Ethiopia, and potentially in Nigeria. This effort was initiated in 1986 because of the steady decline of per capita food production in the continent. We have now had more than 150,000 African farmers directly involved, with an average tripling of production of corn, millet, sorghum, and wheat. We also help farmers with casava and other crops. We have Carter Center programs in 26 African countries, but I'll just tell about this one. Benin is a fairly recent addition to our agriculture program, but typical. We only have one employee for both Benin and Togo combined, and rely on 142 Beninese extension workers (all paid by Benin's government) to learn and teach about 3300 farmers in the country, each cultivating about 2 acres of land. Only a very few have oxen, but they plant the best seed varieties in contour rows, use a moderate amount of fertilizer, control weeds, have timely harvests, store grain in community bins, and often share a rudimentary banking system.

In the village of Gbowime, which we visited, the farmers have accumulated a net undistributed profit of \$6,814 US. Their average yield of corn last year was about 65 bushels per acre, more than 3 times their previous production and comparative yields in adjacent fields. In all our projects, we emphasize native responsibility and self-sufficiency, requiring farmers to graduate from our program after the second year.

We also assessed our efforts in child immunization, the prevention of river blindness (onchocerciasis), and the eradication of Guinea worm. 142,000 people in Benin have received treatment this year for river blindness, but the Guinea worm program there has been lagging. 3800 villages are affected with the debilitating disease, only 14% of which are being monitored by trained workers. In most countries, we are reaching 100%. President Soglo was quite distressed to learn this and has now become a fervent supporter of the effort.

Togo: We spent Friday, 7/30, in Lome to explore the possibility of a successful resolution of the nation's political and economic crisis. An 8-month general strike has brought the country to its knees, most foreign aid is being withheld, human rights abuses have proliferated, and more than 250,000 refugees have fled into neighboring Benin and Ghana. There is a nation-wide atmosphere of fear and despair. A tentative agreement was recently concluded in Oagadougou for elections to be held late in August for President and in October for parliament, but there is little confidence that the Eyadema regime will honor its terms or plans to relinquish power.

I met with representatives of all political parties, members of the election commission, religious, labor and other leaders, all of whom seem desperate for a strong international observer group to monitor the election process. We had earlier planned to cooperate with the National Democratic Institute (NDI), and I wanted to explore the advisability of resuming this commitment. During a private session and luncheon with President Gnassingbe Eyadema and his key ministers, I raised the pertinent questions, which he answered satisfactorily. He also urged me to return to Togo for the election, repeating his invitation of last year. Based on past experience, there is no way to confirm the sincerity of his commitments.

Perhaps erroneously, I believe that my personal involvement in the election monitoring may be crucial to its success, and I am inclined to assess the situation with NDI and perhaps change my schedule and join the monitoring effort.

* [Request: That you exert maximum pressure on Eyedema the next few days and urge the French to do the same. Otherwise, he will be inclined to subvert the election process through delays and subterfuge. Togo could become another Liberia.

Ethiopia: Meles Zinawe is a superb leader. Having consulted closely with him since 1987, when he was a relatively unknown guerrilla commander struggling against the massive forces of a Communist dictator, I am convinced that he is attempting to bring a war-torn and poverty stricken country into an era of unity, freedom, democracy and respect for human rights. He has an extremely difficult task in molding the multiple ethnic groups into a harmonious transition government and has made some inevitable mistakes. He reiterated to me his offer to the dissident Oromo leaders (OLF) (who are boycotting government efforts) to participate without discrimination, just providing they will renounce violence. He asked me to join others in helping him with this problem.

Suggestion: That U.S. and British officials make it clear to Oromo leaders, who are buzzing around Washington and London, that they must cooperate in the ongoing process of forming a national constitution and holding elections in a unified Ethiopia. We can guarantee their fair treatment if they do so.

Meles is intensely interested in the U.S. role in his two troubled neighbors, Somalia and Sudan, and believes that some of our policies are ill-advised. The increasing resort to military force in Somalia, failure of UNISOM to work closely with him and other influential leaders in the Horn of Africa (a departure from policies during the Bush administration), lack of a coherent and sustained effort to help forge a governmental structure leading to elections, and the fruitless effort to find and kill General Aidede are all contrary to his best judgment. For instance, he believes that key African leaders might help to orchestrate through tribal elders a period of exile for the war lord (perhaps in Yemen) while an objective assessment is made of Aidede's alleged crimes and a federal government system is devised.

Meles also believes that complete isolation of the Sudanese government by the U.S. could cause serious problems for both Ethiopia and Eritrea. He and President Isaias Afwerke discussed this prospect thoroughly during the weekend before I arrived, and are quite concerned. He would also like to see a more substantive effort made to resolve the Southern Sudan problem, having little confidence that Babangida's mediation sessions in Abuja, Nigeria can be successful.

Suggestions: That UNISOM should involve Eritrean and Ethiopian leaders closely in devising policy in Somalia. Also, see Sudan below.

General information: We have full support from the Ethiopian government in The Carter Center's projects of eradicating Guinea worm, initiating an extensive food production program, helping to create a school of public health, the coordination of development aid, and preparations for national elections to be held during

the first quarter of 1994. We are also deeply involved in the drafting of their constitution and in the establishment of an adequate legal system to try the cases of almost 1,200 detainees and 1,500 prisoners out on bail, all of them accused of serious war crimes. It is most likely that the national election will be held next March to choose a constituent assembly which will ratify the permanent constitution and orchestrate election of a president and other national officers. Some of the official and unofficial aid programs are being administered through our 2-man office in Addis.

Kenya: President Daniel arap Moi seemed subdued compared to the time of our previous visits, quite defensive when I brought up the quality of the '92 election, his human rights record, and corruption in his government. We should keep up the pressure on these issues, but give him some credit when he does something right. For instance, he has been a perfect host for the peace talks we have held in Nairobi.

SPLA: While in Kenya I met with leaders of the Southern Sudan revolutionary groups. Dr. John Garang, who has been the pre-eminent leader since 1983, has modified his position substantially since I've seen him last, and now offers proposals to me that are much more likely to lead to an agreement with the Sudan government. Garang has given up on the Abuja talks, but wants our Center to initiate a new peace effort. A breakaway group of southerners, known as the Nasir faction or SPLA-United, led by some long time acquaintances of mine, are now fighting against Garang's forces. Garang claims they are supported by the Sudan government in Khartoum, which they deny. (After my discussions in Khartoum, I agree with Garang) Both groups are now helping with our Center's health programs in their controlled areas.

Uganda: President Yoweri Museveni has made good progress during the last few years, with the country now enjoying peace, a slightly negative inflation rate, 7% annual economic growth, a climate that simulates air conditioning, and land that is almost uniformly productive. Uganda is blessed with extraordinary tourist opportunities that are now being developed. One remaining need is to establish a democratic government, the first step of which will be the election in December of a constituent assembly to ratify the new constitution and resolve the dominant issue of multi-party elections. Museveni wants us and others to help monitor the election.

Special information: President Museveni asked me to accept a message from Libya, and I agreed. Dr. Mousa Moussa, a graduate of Michigan State University, had traveled to Kampala to tell me that "Brother" Khadafi is willing to deliver the two men accused of causing the Lockerbie plane crash to any country where public opinion was not already marshaled against them. When questioned, he only excluded the United States and Scotland. I agreed to relay this message to you.

Sudan: Despite war conditions, we have received good cooperation from Sudan's leaders on our humanitarian projects. We jumped wheat production from 150,000 tons to 850,000 tons between 1988 and 1992, and they have completed a very good Guinea worm survey in the seven northern states. We now know every endemic village, and have distributed filter cloths to all families in those most heavily affected. Although much of the South is inaccessible because of the war, they are obtaining information about the southern villages from the 1.2 million displaced persons who have moved out of this area and are now in camps in the general area of Khartoum.

My primary purpose in going to Sudan was to explore any possibility of evolving a genuine and sustainable cease-fire, followed by a resolution of the North-South conflict now in its 10th year. Having already received positive responses from southern revolutionaries in Kenya, I met with Dr. Hassan al-Turabi, the longtime leader of the National Islamic Front and the real source of political power in Sudan. Turabi has never denied to me that he is pursuing the Islamization of Sudan and Africa, and asks if I would not like to do the same for Christianity. I found him to be eloquent and charming as always, glibly ridiculing any allegations of training terrorists. He said he would welcome any responsible investigation by the U.S. Congress or others of allegations about Iranians in Sudan, and claims that there are only well-known embassy personnel and no training sites. He acknowledged the violation of human rights by all sides involved in the war.

After an extensive conversation, Dr. Turabi agreed on several crucial issues that I raised, including 1) the peace talks in Nigeria are probably over, with the impending retirement of President Babangida; 2) Sudan must end the war and rebuild its economy in order to be a major power; 3) citizens in the three southern states can now be assured that they will not be subject to the Islamic law (Shari'a); 4) a cease-fire should be negotiated among the Sudan government, John Garang's SPLA, and the break-away group of southerners named SPLA-United; 5) the United States, as an enemy of his regime, could not sponsor fair talks, nor could the U.N. with Egyptian Boutros-Ghali as Secretary-General; and 6) The Carter Center could play this role, and then assist in mediating a permanent relationship between the North & South in Sudan.

Comment: I know Turabi well, and am familiar with some of the human rights atrocities being committed by government forces. His comments must be received with great skepticism, but items 2), 3), and 4) are new for him and may be significant. If he has, perchance, decided that peace in the South is better for him to achieve his ultimate goals, we should test his sincerity. Later, I met with President Omar al-Bashir and repeated the same basic conversation. Not intellectually equal to Dr. Turabi, Bashir thinks more slowly and is naturally more cautious. He ex-

pressed interest in the key proposals, but insisted on consulting with Babangida before considering a change in venue for further peace talks. Somewhat frustrated, I left at this point, but the next morning pursued the issues further by a personal note. As I prepared to leave Sudan, his foreign minister came to meet me at the airport, gave an affirmative response, but asked for a few days to thank Babangida and verify that further talks were not scheduled. He promised to contact me without delay.

X Request: That you give me a few weeks to pursue with the government and revolutionaries what I consider to be a new opportunity for progress in Sudan. It is impossible to anticipate what might happen, but partial progress would permit the delivery of relief services for millions of starving and suffering people and perhaps lead to a resolution of this most costly and troublesome war. If a substantive cease-fire could be negotiated and, for the first time, approved officially by the top leaders, it would be necessary to have some international monitors in the war zones. Your help would be needed at this point.

Just a personal note: We at The Carter Center do not depend on official support for our work, but for some reason, we enjoyed an easier and more cooperative relationship with our government agencies prior to this year. This comment does not apply to your embassy personnel, who have been invariably gracious and cooperative. Maybe Marion Creekmore, former ambassador to Sri Lanka, could explore with someone in the State Department how we might maintain better communications.

Best wishes,



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

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: GENE SPERLING

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:

August 11, 1993

MEMORANDUM TO THE PRESIDENT

From Gene Sperling

Subject: Final Distribution Charts

You asked for the final distribution charts on the new taxes in the economic plan. They are impressive to say the least. There are three different tables that can be used -- all are from CBO. All of them are excellent in terms of their progressivity and fairness to the middle class. I have also included in this memo the analysis included from H&R Block, Deloitte Touche, Ernst and Young, and Coopers & Lybrand, as their analysis may be credible validation with many average people. We will get these outside analysis out to the press and Congress -- indeed Rahm has already sent the H&R Block analysis to all Democratic members.

There are three distribution tables from CBO given below. The three distributions done are as follows: 1) Direct and indirect impact of all taxes; 2) taxes affecting typical families; 3) gas tax alone. I want to stress that these are all CBO charts, and that CBO does not use implied rental value when determining income, so use of these numbers will not generate any debate about what type of income classes we are using.

DISTRIBUTION CHART 1: ALL TAXES

The basic distribution chart done by CBO calculates in all tax changes in the plan. The shortcoming of this analysis is that it overstates the burden on the typical working family for four reasons: 1) It calculates in the additional taxes for Social Security -- which only senior citizens pay this -- and then, only those in the top 12% of recipients; 2) It calculates in the extension of the 2.5 cent gas tax -- which is not a new tax, but a virtually automatic extension. 3) It calculates in the costs of the corporate tax and the limitation on meals deduction even though relatively few middle class families would be affected by either. Because of this, the average cost in the chart is \$50 a year (or \$4.17 a month) for the average family making \$30,000-\$40,000 a month, and \$105 a year (about \$8 a month) for those making between \$40,000 and \$50,000. Thus, while this chart accurately portrays the overall percentage of taxes paid by income class, it overstates the additional new burden on a typical middle class family.

Therefore, while this CBO chart will be seen as the definitive chart on overall distribution, we have used a second CBO chart (see below) to show the dollar impact on the typical middle class family. Nonetheless, the numbers in this chart are the ones that we should use when talking about the overall distribution of the plan.

Key Points:

- 81.3% of the burden on families making over \$200,000
- 90.1% of the burden on families making over \$100,000
- 10% of the burden on families making under \$100,000
- Average family making under \$30,000 gets a tax cut.

NOTE: The 1990 deficit reduction package placed only 36% of the new tax burden on those making over \$200,000, while your plan imposes 81% of the burden on those making over \$200,000.

TABLE 1

FAMILIES BY DOLLAR INCOME	CHANGE	SHARE OF TOTAL CHANGE
Less than \$10,000	-68	-2.5
\$10,000-\$20,000	-86	-3.9
\$20,000-\$30,000	-41	-1.7
\$30,000-\$40,000	50	1.6
\$40,000-\$50,000	105	2.7
\$50,000-\$75,000	192	7.8
\$75,000-\$100,000	312	5.6
\$100,000-\$200,000	649	8.8
\$200,000 or more	23,521	81.3
All incomes		100.0

(CBO, August 2, 1993)

DISTRIBUTION CHART 2: TAXES AFFECTING TYPICAL WORKING FAMILIES

Because of the inability of the complete distribution table to accurately portray what a typical American family in different income classes would pay, I asked Alan Cohen at Treasury to try to calculate what the burden would be on an average family -- taking out things like the Social Security and the corporate tax. Alan -- who did a great job in the Rec Room for us -- was then able to arrange for CBO to run a chart that showed what the affect of the universal individual tax increases would be on working families at different income classes. Alan was able to arrange for CBO to run the distributional affects of 1) the higher 36% rate; 2) the surtax on income over \$250,000; 3) the extention of the Medicare tax on income above \$135,000; 4) the increase in the alternative minimum tax; 5) the phasing out of deductions under Pease and Pep, and 6) the direct and indirect costs of the 4.3 cents energy tax.

This chart has, as you can see, nearly the same distribution as the "all tax" chart, yet it gives a better idea of what average families pay, as it does not distribute taxes that only affect a small percentage of the population or businesses. Since, for example, a typical family pays only for the 4.3 cents gas tax, an average family making between \$30,000 and \$40,000 still pays only \$36 a year, or \$3 a month. As mentioned below, this is conservative since it includes all indirect costs of the gas tax increase. These were the numbers used in the chart that you showed at the Oval Office address.

TABLE 2

FAMILIES BY DOLLAR INCOME	CHANGE	SHARE OF TOTAL CHANGE
Less than \$10,000	14	0.6
\$10,000-\$20,000	21	1.1
\$20,000-\$30,000	29	1.4
\$30,000-\$40,000	36	1.4
\$40,000-\$50,000	45	1.4
\$50,000-\$75,000	52	2.3
\$75,000-\$100,000	63	1.3
\$100,000-\$200,000	226	3.6
\$200,000 or more	21,237	86.4
All incomes		100.0

w/ Gas tax cos?

(CBO, August 3, 1993)

DISTRIBUTION CHART 3: GAS TAX ONLY

Column one shows the affects of the gas tax. Since this is the only new tax that an average family will pay, it is important for people to know how much this tax alone will affect them. The direct and indirect costs come to \$36 a year, or \$3 a month for the average family making between \$30,000 and \$40,000 a year. (Since the fuel tax does not kick in until the third year, it is actually \$33 a year for two years, and then \$36 a year for the last three years, for an average of \$35 a year). It is important to note that this is higher number than most estimates given because it includes all direct and indirect costs. Some Republican Senators, like Senator Hutchinson, argue that taxes will be much higher than we say because an increase in gas taxes increases the cost of everything one buys. This number shows that even when you count the direct and indirect costs of a 4.3 cent gas tax, the average American family will pay only \$3 a month more.

In explaining the overall affects on the gas tax, you might want to remind people of how little it is in simple terms. For example, if you fill up your car three times a month -- 10 gallons three times for a total of 30 gallons -- this will cost you only about \$1.25 a month. That is why other studies you will hear -- that focus only on a drivers -- and do not count indirect costs are generally less.

TABLE 3

FAMILIES BY DOLLAR INCOME	CHANGE	SHARE OF TOTAL CHANGE
Less than \$10,000	14	5.3
\$10,000-\$20,000	21	9.8
\$20,000-\$30,000	29	12.1
\$30,000-\$40,000	36	11.8
\$40,000-\$50,000	65	11.7
\$50,000-\$75,000	52	21.3
\$75,000-\$100,000	64	11.3
\$100,000-\$200,000	65	2.9
\$200,000 or more	156	5.4
All incomes		100.0

(CBO, August 3, 1993)

OUTSIDE VALIDATION

As you probably know, H&R Block released a study highly favorable to the plan stating that the middle class would have no affect. In the hope of finding additional outside validation, I had Sheryll Cashin on our NEC staff call the major accounting firms to get their analysis. They are all quite positive.

ERNST AND YOUNG:

Single Mother with Two Children making \$19,000:

Change in Taxes: Receives a \$578 tax cut.

Single Worker making \$50,000:

Change in Taxes: Pays \$28 more a year; \$2.33 a month

Two Worker Family, Two Children Making \$70,000:

Change in Taxes: Pays \$112 more a year: \$9.33 a month

Professional Couple, two children making \$200,000:

Change in Taxes: Pays \$4500 more

(Note this is overstated as they count \$200,000 in taxable income)

CEO income of \$900,000:

Change in Taxes: Pays \$74,000 more in taxes

H&R BLOCK

H&R Block stated that:

- 16.6% of taxpayers would get a tax cut through the EITC.
- "82.% of all taxpayers would see no change in their income taxes."
- 1.2% of taxpayers would pay higher rates

DELOITTE & TOUCHE:

They do both a 1993 and a 1994 analysis on income tax changes -- not including gas taxes. The 1993 numbers are relevant for the retroactivity debate, because it provides validation for our factual claim that retroactivity only affects the top 1.2%.

For Calendar Year 1993 Differences in income tax liability:

\$50,000	0
\$100,000	0
\$150,000	0
\$200,000	\$1,308
\$250,000	\$3,696
\$1 million	\$60,260

For Calendar Year 1994

\$50,000	0
\$100,000	0
\$150,000	\$143***
\$200,000	\$2,137
\$250,000	\$5,258
\$1 million	\$72,719

*** The reason why a couple with income below \$180,000 has any new taxes is that the 1.45% Medicare tax is now applied to income above \$135,000. Thus, a couple with income of \$150,000 is paying an extra 1.45% on the income between \$135,000 and \$150,000.

COOPERS & LYBRAND:

Coopers and Lybrand do not have a full analysis, but they do state clearly that if you are a middle income American, you pay \$0 in new income taxes.

TAX BURDENS

How the average federal tax bill paid by various income groups would change under deficit-reduction plans considered by the Senate, passed by the House and proposed by President Clinton.

Household Income	Avg. now	AMOUNT OF CHANGE		
		Senate	House	Clinton
Less than \$10,000	\$455	-\$37	-\$28	-\$30
\$10,000 to 20,000	1,718	-73	-28	-33
\$20,000 to 30,000	4,240	-37	33	28
\$30,000 to 40,000	6,891	61	164	160
\$40,000 to 50,000	9,667	122	271	266
\$50,000 to 75,000	14,295	216	369	362
\$75,000 to 100,000	21,604	338	492	485
\$100,000 to 200,000	33,910	703	765	769
\$200,000 or more	135,359	25,195	23,217	23,155
All incomes	\$10,107	\$423	\$484	\$480

NOTE: Encompasses changes in individual income taxes, payroll taxes and federal excise taxes, including the energy tax.

the share each income group would bear of the all tax changes under the plans (figures are rounded).

Household Income	Senate	House	Clinton
200,000 or more	79%	63%	64%
100,000 to 200,000	9	8	8
75,000 to 100,000	5	7	7
50,000 to 75,000	8	12	12
30,000 to 50,000	3	6	5
30,000 to 40,000	2	4	4
20,000 to 30,000	-1	1	1
10,000 to 20,000	-1	-1	-1
less than \$10,000	-1	-1	-1

NOTE: Household income is the sum of wages, salaries, self-employment income, rents, taxable and taxable interest, dividends, realized capital gains and all cash transfer payments.

IRSF: Congressional Budget Office

that total by nearly \$19 billion. The committee favored raising the appropriations process, to be included later this year. In defending the package, De

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THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: GEORGE S.

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:

THE PRESIDENT HAS SEEN

GS - Summ m: This

B

President Carter

Mission Statement of Clinton ☆ Gore Democratic Club of Alameda County, California

The realities of the post-Cold War world call for a new kind of Democratic party and a new kind of politics. The party must recognize, and its policies reflect, the basic truth that global leadership is derived from the strength of our economic and social institutions. Our nation must rededicate itself to the ideas of community and responsibility even as it safeguards individual privacy rights and liberties.

The mission of this club is twofold. First, it will be to define through discussion and education this new politics in a way that is relevant to our communities and our nation. We take as our starting point the principles embodied in the 1992 Democratic Party Platform.

Second, because we recognize that the standard bearers of this new Democratic Party are President Bill Clinton and Vice-President Al Gore and their administration, it will be the mission of this club to further their policy agenda through voter education, registration, and other such activities as the membership sees fit. In addition, the club may seek to enhance administration policy through constructive input.

The club will focus on issues that are statewide, national and global in scope, and will avoid involvement in local politics and issues except to the extent that local action is directly relevant to accomplishing our broader objectives. We recognize that our members may have an interest in local issues and candidates, and we encourage and support their membership in clubs that address such matters. We will work with any and all Democratic clubs in areas in which their interests and ours converge.

Bevan Vinton, Jeff Steele, Lucy Sells, Manny Myers, Pamela Garrett, Mollie Hazen, Gerry Kaplan, Ed Kelly, Molly O'Shea, Sarah Rogerson, Terry Sandoval, Renah Shnaider, Melanie Sweeney-Griffith, Terri Tully, Estelle Watts

News & Views

Clinton & Gore Democratic Club
of Alameda County

Volume 1 Number 7

"Don't mess with Bill"

August 1993

Club Update

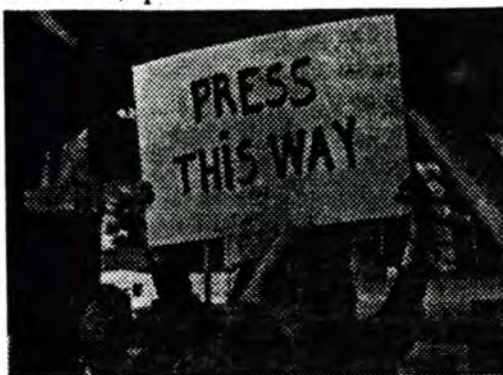
Summer continues to be a time of both work and pleasure for the Club.

Willy Fletcher, a professor at Boalt Hall, spoke at our July meeting about the presidency in general and Supreme Court nominee Ruth Bader Ginsberg in particular.

Many of us helped out during the President's recent visit to the NEA Convention in San Francisco. Kudos to Terry Sandoval, who put in many hard hours recruiting and organizing the volunteers. Kudos also to Marc Foster, whose drive and determination have gotten us noticed by the White House. We're hoping Marc will give a talk about his work with the National Service Program at a general meeting this fall.

Our next general meeting is August 11. It'll be a general business meeting. We'll plan our focus for the next several months. Be there if you want a voice in things. The September meeting will be held on the 9th.

Don't forget our summer picnic in Tilden Park on August 22, at the Willow Picnic area from 10 a.m. to 6 p.m. All members and their families are welcome. Contact Terry Sandoval at 510-530-5659 for details.



Betty Bronson directs the press at NEA Convention.

After six months of a new Democratic administration, we

now have a motor voter law, a family leave law, a new environmental policy, a campaign finance reform bill, and a solid Supreme Court nominee. Stay tuned; it'll only get better.

Fletcher Shares Presidential Insights

by Steve Byron

William Fletcher, Professor of Law at Boalt Hall, spoke to the membership of the Club at the monthly meeting on July 14. He was Co-director of the Northern California Clinton Campaign last year and has been a friend of the President's since the late 1960's. Before addressing his main topic of "Clinton's First Supreme Court Nomination," he offered some observations on the first six months of the Administration.

The Clintons' decision to appoint old friends, he thinks, rather than experienced Washington hands, to important positions on the White House staff has probably been one reason for the recent stumbles. The President has moved to correct this with the addition of David Gergen as counselor. While "it hurts to think that someone from the Reagan White House should have to show us how to run things," it

is important to maintain perspective on Gergen's actual identity as a political independent. So far, his presence seems to have resulted in smoother press relations.

One pitfall Mr. Fletcher is hoping the administration can avoid is criticism over the handling of flood relief in the coming months. FEMA's performance in past disasters has led to much complaint and similar problems in the present could damage the administration's credibility.

Regarding the main topic of the night, Mr. Fletcher stated that he is pleased with the nomination of Judge Ruth Ginsberg to the Court. The rather circuitous route by which the President settled on his choice can be understood by examining his criteria. Mr. Fletcher explained that the President was interested in appointing a Justice who had political as well as judicial experience. Though recent appointees have

Continued page 7

Perspective on the Presidency

by Pamela Garrett

...A Different Drummer

When President-Elect Clinton formally took office on January 20, a mantle of myriad roles and responsibilities settled across his shoulders. Most of the roles came easily to him; the responsibilities he assumed without flinching. He had, as his brother Roger once said, "been preparing for this gig all his life."

Yet it was his role as Commander-in-Chief that would prove most difficult in the months that lay ahead. Just a week after the inauguration the President found himself at unpleasant odds with Sam Nunn, Colin Powell, and the Joint Chiefs over the issue of homosexuals serving openly in the military. Already suspicious and resentful, some members of the military believed they had found another reason to distrust their new Commander-in-Chief.

Here was a president who had not served, who had vehemently and vocally opposed the war that sundered his generation, and who had actively, if legally, avoided the draft. This was a president who, according to their way of thinking, did not and probably could not understand the true substance of military service.

Bill Clinton is not the first president not to serve in the armed forces. There have been others, notably Abraham Lincoln, but in recent decades Generals like Eisenhower and war heroes like John Kennedy and George Bush have occupied the Oval Office. Military service was something most Americans had come to expect of their presidents.

Military background or not, Bill Clinton is the only American president to visit the Vietnam Memorial in an official capacity. This past Memorial Day, the President had the courage to face the outrageous insults of his detractors to stand before that ebony ribbon of endless grief and share his nation's pain. Some said he had no right to be there. Others rightly applauded his courage. Where, the President asked, could any Commander-in-

Chief be on that day but in that place?

Since then, the President has worked hard to build a working relationship with the military. He has met regularly with Chairman Powell and the Joint Chiefs. This spring he delivered a series of commencement addresses at military academies and visited aboard a U.S. aircraft carrier.

Most recently, near the end of the G7 summit in Japan, the President visited the troops at Camp Casey, a base just south of the demilitarized zone in South Korea. Standing on the Bridge of No Return, he talked tough to the North Koreans and aimed some well received sabre rattling in their direction. He was an enormous hit with the two thousand American soldiers who cheered his arrival, gave war whoops and waved their battalion pennants as he spoke.

In one of the best photo-ops of the Asian trip, the President took the stage in a massive airplane hangar flanked by his camouflage-clad troops and hailed by a

This President will be a different kind of Commander-in-Chief.

huge banner that read "The Warrior Division Welcomes the Commander-in-Chief." The White House could not have framed it better. After the speech, the President plunged into the crowd to shake hands. Later, as the *pièce de résistance*, he joined the Division's military band on stage, borrowed a saxophone and did his bit on "B-Flat Blues."

On July 19, the President announced his compromise regarding homosexuals in the military. The "Don't Ask, Don't Tell, Don't Pursue" policy pleases neither the conservative hard-liners nor the gay and lesbian community. It is doubtful whether it truly pleases the President. It is clear that he wanted to do more, and just as clear that an Executive Order would have been overturned in Congress. Worse, if the President lifted the ban outright,

Sam Nunn vowed to push for immediate codification of the original policy.

While one might wish that the President had been able to travel the high road, adhering to his principles and leaving the role of bad guy to Senator Nunn and his cohorts in Congress, such action would have further strained his relations with Capitol Hill and perhaps irreparably damaged his still-shaky relationship with the military. More importantly, the cause of equal rights for homosexuals would have been furthered not a whit. Without the support of the Joint Chiefs and facing stiff opposition in Congress, it is entirely probable that codification of existing policy would prove difficult, if not impossible, to halt or reverse.

A single step is better than none, and compromise is not a sign of weakness or betrayal. The policy is not merely the honorable compromise the President described, it is the only one possible under current circumstances. "We need to get our heads on straight about what is strong and what is weak," the President said recently. "When a president takes on tough issues, takes tough stands, tries to get things done in a democracy, he may not get one hundred percent. Was I wrong to take eighty-five?"

The President's policy does represent progress, not enough to be sure, but progress nonetheless. At the very least, the military code of conduct will now be uniformly enforced, and there will finally be an end to the unconscionable witch hunts that have cost millions in taxpayer dollars.

Amidst all the impassioned rhetoric, it is important to recognize the great courage shown by the President in his attempt to change a long-standing, deeply-rooted, highly emotional military policy. It is further evidence that this president will be a different kind of Commander-in-Chief, one who grew to manhood amidst anti-war demonstrations and who must now steer our course through the treacherous waters of a post-cold war, but still troubled and dangerous world. This is a young man with a great mind, a just heart, and a powerful vision. It should come as no surprise that, on frequent occasions, he will march to the beat of a different drummer. It's called change. And it's the reason we elected him. Pamela Garrett is an author, historian and Club member.

Whither the Republicans in 1996?

by Jeff Steele

As successful politicians know, it's never too early to start planning for the next election. Besides, it's fun to guess what the other side is up to. With that in mind, here is an analysis of Republican prospects in 1996.

The Republican Party faces an unusual situation as it looks to 1996. In the past, when a candidate who is perceived as a moderate lost an election, the party swung to the right and nominated a conservative for the next campaign. When a conservative lost, the party swung to the center and nominated a moderate the next time out.



For example, the party reacted to Richard Nixon's 1960 loss by nominating the extremely conservative Barry Goldwater in 1964. Goldwater was creamed, and the party swung back (relatively speaking) toward the center—and back to Nixon—in 1968. Similarly, Gerald Ford, a moderate, lost to Jimmy Carter in 1976. The party promptly swung to the right in 1980, nominating Ronald Reagan.

The Democrats are prone to the same mood swings. In 1968 Hubert Humphrey was the nominee. A liberal in most respects, Humphrey lost support within his own party because of his hawkish stand on Vietnam. In response to his defeat by Nixon, the party swung as far left as it ever has, nominating McGovern in 1972. McGovern was creamed, and the party swung back to the center with Carter in 1976. When Carter lost in 1980, the party nominated Walter Mondale, a liberal. Mondale was creamed, and the party swung back to the center and gave us Michael Dukakis. Although Dukakis lost,

he could have—and should have—won. This time the party learned its lesson, and chose another centrist, Bill Clinton.

These swings between centrists and extremists represent the constant tension within each party between pragmatists and ideologues. When one faction leads the party to defeat, it is discredited and exiled from power by the other. This may seem odd in light of the fact that ideology matters so little to most Americans in comparison with economics, and occasionally foreign policy. Carter and Bush both lost because of the economy, while Reagan won twice because of it. Political scientists have noted repeatedly the dearth of ideology in American politics—especially compared to European democracies.

Nevertheless, the most active members in each party care deeply about ideology, if only because it is what differentiates their party from the other guys and thus justifies their existence. Ideology thus plays a significant role in determining who will be nominated. Republicans know George Bush lost because of the economy, but they still must decide whether the public was simply tired of conservative economics, or of Bush's departures from conservative principles. This question provides the backdrop for the intra-party debate through 1996.

In past elections, this question was relatively easy to answer. The candidate and his platform were indivisible, and both were usually rejected out of hand by

The far right does not have the numbers to nominate one of its own.

the party after a loss. This was not the case, however, in 1992. In truth, George Bush was a moderate in conservative's clothing. He was pro-choice before 1980. His affluent roots and eastern education naturally inclined him toward an ideology of laissez-faire economics and benign ne-

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Newsletter: Sarah Rogerson
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Gerry Kaplan
Telephone: 510-287-8833

glect on social issues that puts him in the same wing of the party as Rockefeller and Ford—and directly at odds with the religious right and rock-ribbed conservatives represented by Pat Robertson and Newt Gingrich.

As a matter of expediency, Bush swung to the right with the rest of the party in 1980. But the conservative true believers never trusted him. They demanded the "read my lips" pledge in 1988, and when Bush broke the pledge in 1990 the right broke with him. The result was that in 1992, for the first time in recent memory, a Republican nominee, a sitting President no less, was not allowed to write his own platform. Instead, it was written by the right wing—in large measure, the religious right. This wing also dominated the convention, in which Pat Buchanan called for a "cultural war" against liberalism.

As 1996 approaches, both moderates and conservatives will have plenty of ammunition to use against each other in their struggle to control the party. In all likelihood, each faction will blame the other for Bush's failed campaign. Conservatives will

Continued page 7

Can the Center Hold?

And What Is It Anyway?

by Sarah Rogerson

The drumbeat of commentary accusing President Clinton of lurching to the left, losing his focus, moving to the center, or reaching out to the right is perhaps only a symptom of the real struggle that is taking place in Washington.

Bill Clinton ran as a New Democrat - someone different from the paleoliberals who have controlled the Party for the last two decades. He started from the assumption that people have "lost faith in the ability of government to change their lives for the better." He did not simplistically attribute this to 12 years of Republicanism, but recognized that in a more profound sense, people feel that "government no longer looks out for their interests or honors their values - like individual responsibility, hard work, family, community."

To win the nomination, he defeated candidates who represented more left-liberal views, duking it out with Jerry Brown to the very end of the primary season even though the Californian had no chance of ultimate victory. A new wing of the Party took the reins at the July convention and surprised everyone but themselves by hosting a veritable love feast. Everyone wondered what had happened to the Democrats. They had united behind a candidate who could actually win.

And win he did - with the support of a broad spectrum of liberal and moderate Democrats, conservative Reagan Democrats, and independents. Liberals liked him because he is progressive on social issues. Moderates had long known him as a leader in exploring a new direction for the Party. Reagan Democrats returned from 12 years of voting Republican to give this fiscal moderate a chance.

It seemed that a new consensus had formed to deal with the deficit, invest in the future, encourage personal responsibility, and provide equal opportunity for all Americans. Many voters expressed a desire to move beyond partisan gridlock and unite around what is best for the country as a whole. Some pundits even proclaimed Clinton "the first post-ideological President."

If only he was working in a "post-ideological" political environment, perhaps everything would have gone swimmingly. But therein lies the rub. The ground that unified this broad spectrum has proven difficult to define and hold. Six months into the new administration, it sometimes seems as if no one is happy.

The left expresses disappointment at his conservatism at the same time that the right accuses him of being a tax and spend liberal. His old friends among the moderate Democrats complain that he has abandoned the principles they all worked for. He is criticized constantly for breaking campaign promises when he is actually trying his darndest to keep them. The

Democratic Congress, which was supposed to work with the White House to provide the first united government in years, has supported his deficit-cutting budget by only a narrow margin achieved with considerable arm twisting. And those of us who celebrated the Inauguration in a sea of hopeful, excited faces wonder what happened to all that goodwill.

Why has it been so difficult for the President to hold on to the political middle ground he carved out during the campaign?

First, the center of the political spectrum is neither organized nor vocal. The political pressure and noise come primarily from either the left-liberal or conservative sides of the spectrum. Neither of those sectors considers Bill Clinton their man and they have little or no investment in helping him build a governing coalition.

The conservative Republicans are hoping the President will do poorly enough to give them some new Congressional seats next time around. Bob Dole has amply demonstrated that he intends to be of no assistance until after 1994, if then. In addition, conservative fund-raising organizations have hit an unexpected jackpot since Clinton took office. "It's unbelievable," comments Gary Bauer of the Family Research Council. "Clinton has tried to move on so many issues at once he's



succeeded in reactivating the Reagan coalition." A letter sent out by the American Conservative Union and signed by Senator Dole has resulted in 6000 new contributors a day. Conservatives "have identified a new enemy," says David Keene, ACU Chairman, "We used to have communism. Now we have Bill Clinton."

Neither do the left-liberals plan to make an alliance with the new Administration. Though some individuals have supported the President, organized interest groups have not responded to his attempts to reach out in their direction e.g. the lifting of the gag rule on abortion counseling and his attempts to loosen the restrictions on gays in the military. Left-wing author Barbara Ehrenreich scoffs at the idea that Clinton's

presidency has been hurt by an early lurch to the left. "A neat parable," she says in the June 21 issue of *Time*, "but it never happened. Ask anyone who hangs out in left field - columnists for the *Nation*, for instance or resident thinkers at Washington's Institute for Policy Studies - and they'll tell you there hasn't been any lurching in their direction. A few tentative steps perhaps...followed by an inexorable stagger to the right...Don't dump the corpse in our backyard." His notion of change, she complains, is not genuine or progressive, nor is his populism anything more than a campaign affectation.

In other words, Washington is back to business as usual. In spite of encouraging signs during the transition period, the new era of non-partisan cooperation materialized only briefly - perhaps it was merely a shimmering vision that floated over the happy Inaugural throngs. In any case, partisan bickering has resumed and is damaging the Administration's efforts.

Decades ago, at the end of the Second World War, things were different. There was enough of a consensus on both foreign and domestic policy that the President could govern with the support of a bipartisan coalition. Republicans and Democrats worked together in the establishment of the Marshall Plan and NATO, while domestic priorities centered around jobs and housing for returning servicemen and their families.

Recent presidents, however, have faced a polarized electorate. War, tense race relations, a declining standard of living, and the fracturing of our culture have resulted in a political scene dominated by competing interest groups who care little about what is best for the country as a whole. That post-war consensus has disappeared.

President Clinton has proposed a new consensus but there are no large, vocal interest groups to back him up. Everything that he proposes is going to be attacked from both the right and the left. If he intends to fulfill his campaign promises, it is clear that he will have to forge a new governing coalition. "Make no mistake," said the Governor last year, "this New Covenant means change - change in our party, change in our national leadership, and change in the country...This New Covenant can't be between the politicians and the established interests. It can't be another backroom deal between the people in power and the people who keep them there. This New Covenant can only be ratified by the people." The President must use his ample personal and intellectual talents with the public to make a sustained case for a new consensus in government.

Perhaps Clinton's most serious miscalculation has been the failure to provide support and protection for the New Democratic vision in his Cabinet and White House staff. He has too many appointees who don't share his politics. Prominent New Democrats and centrists have been left out of the administration. Why? Apparently the President thought he could act as policy processor, listening to varying points of view and then making a well-considered decision. Jack Kennedy's White House operated much this way and the resulting "ventilation" of views helped unify his team. Politically, however, Kennedy was still operating in a consensus environment. His main worry was the right wing calling him a wimp over his handling of Krushchev and Castro.

Without a solid, unified staff, it has been very difficult for the President to manage the divided and unruly Congress. Of necessity he has had to rely on the traditional Democratic governing coalition consisting of the Democratic Congressional leaders and liberal interest groups. They do not share his vision but he had hoped that the persuasive strength of his ideas could win them to it. Also in his favor was the clear signal on the election day that voters wanted an end to gridlock on issues of vital importance to the economy. Nevertheless, the failure of his stimulus package and the near-death of the economic plan in both Houses have shown that neither the Congress, the liberal interest groups, nor the Washington press corps can be counted on to lend him a hand.

Essentially, the wing of the Democratic Party that swept to victory in the primaries and then took back the White House has not yet completed its consolidation. This undertaking is exquisitely delicate, involving the establishment of a new governing coalition while trying to avoid the complete breakup of the old during the transition. The President has to hold on to a few new paradigm liberals, resuscitate his ties with centrist and conservative Democrats, and bring some moderate Republicans on board. This conglomerate is the constituency for a New Democratic President. It may not be reliable but it is the constituency he must forge if he is to put his vision into practice.

Finally, in order to provide concrete leadership to this new coalition, the New Democratic agenda must be clearly defined. This agenda really is new. It has not hardened into an easy orthodoxy - in fact, it is not an orthodoxy at all. It is what Sidney Blumenthal called last year "a rethinking of the future of liberalism and the Democratic Party that [Clinton] and his wife have been part of for years. This long project may be called The Conversation. The Conversation is not about the nuts and bolts of getting elected. It is about why one should get elected and what to do if one is."

During the campaign, Governor Clinton said, "More than two hundred years ago, the founders outlined our first social compact between government and the people, not just between a king and his lords...Today we need to forge a New Covenant that will repair the damaged bond between the people and their government and restore our basic values - the notion that our country has a responsibility to help people get ahead, that citizens have not only the right but a responsibility to rise as far and as high as their talents and determination can take them, and that we're all in this together."

One of the goals of our Club is "to define through discussion and education this new politics in a way that is relevant to our communities and our nation." I propose that we formally begin that process this month by using the newsletter as an open forum. Our young Administration is engaged in a critical struggle to define and chart a new path for the country. We, like all supporters, have a responsibility to help steer the course. Write to us, describing your view of the New Democratic Agenda and what programs or policies would best represent it. We will print the responses in the next few issues.

Sarah Rogerson is a part-time RN at a local HMO and a homemaker.

"This is the Time—Let Us Embrace It" A Report on the SEIU Legislative Conference

by Helen Koci

In May I had the privilege of participating in the Service Employees International Union (SEIU) Legislative Conference in Washington, DC. It was exciting from beginning to end, and I'm ready to pack my bags for a return in 1994.

We were welcomed by the dynamic mayor of Washington Sharon Pratt Kelly, Chairman of the Democratic National Committee David Wilhelm, Secretary of Health & Human Services Donna Shalala, and our own Senator, Barbara Boxer.

One of the most valuable experiences of the Conference was a workshop I attended on workers, training, and employment. President Clinton has requested \$270 million over a two year period to establish School to Work programs, beginning with students in the eleventh grade, to address the needs of that seventy-five percent who do not go on to college. The program will include one stop Career & Skills Centers to provide a wide variety of employment information and assistance, including benefits, counseling, training, and referrals. The Administration is also studying New York's community service centers and apprentice programs as possible models for the nation.

The Conference also featured an address by Secretary of

Labor, Robert Reich. Secretary Reich spoke with warmth, enthusiasm, and optimism. He told us the Department hopes to develop a national board of standards for skills. The goal is to standardize worker skills throughout the country so that employers can have clear expectations when hiring new employees.

While in Washington, Conference attendees lobbied members of Congress, emphasizing our concerns regarding health care reform, the protection of workers, including the right to strike without fear of replacement by non-union workers. My group met with Senators Boxer and Feinstein and their aides. Congressman Dellums was unable to leave the House floor, but we had a very productive meeting with a member of his legislative staff. Later, we took turns sitting in the chair of our new Chairman of the Armed Services Committee and, of course, taking snapshots for souvenirs.

Finally, Hillary Rodham Clinton addressed the five hundred attendees on the subject of health care reform. Mrs. Clinton stressed the importance of caring for people rather than profiting from their illnesses. She outlined a system in which educated consumers lead to cost controls and quality care and discussed the need to reduce the amount of paperwork involved in billing and processing claims. Mrs. Clinton warned us that scaremongers will insist that change will only make matters worse—the status quo exists because people benefit financially from it.

The First Lady promised to return to the 1994 SEIU Conference to celebrate a health care system that really works! I can hardly wait! — *Helen Koci is a member of SEIU Local 616 and the CGDC.*

THE PRESIDENT'S SPEECH TO THE NEA San Francisco - July 5, 1993

by Bevan Vinton

While it was certainly exciting to be part of President Clinton's recent visit to San Francisco, it was also satisfying to see—and to hear—him in action. And, as a high school teacher, I found it somewhat ironic that my role at the NEA conference would be with the White House staff people and not in my professional capacity.

Most remarkable to me was to be able to read the text of the prepared speech and then to hear the President's improvisation. The real speech was in those portions he added on the spot. He began with an homage to teachers, quoting from Pat Conroy's novel, *The Prince of Tides*. Conroy's protagonist, Tom Wingo, defends his previous job as a teacher: "There's no word in the language I revere more than 'teacher.' My heart sings when a kid refers to me as his teacher, and it always has. I've honored myself and the entire family of man by becoming a teacher." In terms of reaching his audience, he couldn't have picked a better introduction.

Somewhat later he compared his responsibilities as President with those faced by classroom teachers: "We are getting our house in order...the job that the President has in doing this is no different than the job you have faced in your classrooms hundreds...of times...How many times have you been in a classroom when you had to say something that was genuinely challenging and tough...and they would simply resist and resist?" That analogy really worked for me. Yes, I have gone into a classroom and felt resistance, and I can better understand the difficulties the new President has felt. Students in particular, and people in general, have a lot of trouble with making changes, especially those which demand something of them.

The President urged a more challenging and diverse curriculum. Not only do American students need to understand the meaning of democracy, but the spirit of Japanese culture and the richness of African history. Our foreign language students need to know more than how to order in a restaurant. We need every student to finish high school, and we need at least two years of school-to-work transitional education and training for those high school graduates. It was important to me that the President understands that there are places in America for both college and non-college bound students.

The President closed with a description of his Fourth of July in Philadelphia. He sat between the President of South Africa and the President of the African National Congress; these two men have put their differences aside to agree on national elections. The President concluded with these words, "That is a symbol of what people can do when they suspend their cynicism and they suspend their bitterness and they overcome their difficulties and they act on their beliefs." That's exactly why many of us worked for Clinton-Gore. It might be terribly idealistic, but some of us still believe change is possible, once we get past those difficulties. Now, though, I will think of the President at work in his "classroom" as I am at work in mine. — *Bevan Vinton is a schoolteacher in Oakland and Co-chair of the CGDC.*

Whither the Republicans (continued)

claim that Bush lost because he raised taxes, failed to control the federal deficit, and never really believed in the conservative values of the 1992 platform. The moderates, on the other hand, will claim that the party lost in 1992 because it proclaimed a cultural jihad in Houston that frightened millions of moderately conservative Americans into voting Democratic.

The moderates have the better argument. Although most Americans are fairly conservative, they are also fairly tolerant. Moreover, although the right wing is morally conservative, it is anything but politically conservative. That is to say, the far right favors increased governmental involvement in the moral education and regulation of society, as opposed to the traditional party message of less government. It is hard to argue that Dan Quayle's "family values" campaign was anything other than a distraction from the traditional policies of the party—low taxes, lower spending, and tight money. (Indeed, with the economy in a shambles and the country at peace, it was probably a deliberate distraction.)

Of course, the fact that the moderates have the better argument doesn't mean they will prevail. The religious right is highly motivated, very vocal, and has done a very effective job of taking control of the party apparatus in several states. (They are already in control in Washington, and are fighting Pete Wilson hard in California, to name just two examples.)

In all probability, the far right does not have the numbers to nominate one of their own in 1996 (Siddown, Pat Buchanan). The more potent danger is that they will not field a serious candidate, but will have enough strength in the primaries to emasculate moderate candidates, forcing them to take more conservative positions on social issues that they are comfortable with.

If the Republicans tear themselves apart during the '96 primaries in a struggle between center and right, Bill Clinton will benefit. If the right prevails, Clinton is agile enough to occupy the center and win the general election. If the moderates win and the right is alienated, Clinton wins again. But if the moderates can avoid a confrontation with the right during the nominating process by consolidating control of the party apparatus before 1995, or if the party finds a candidate acceptable to both factions (are you listening, Jack Kemp?), Clinton could face a tough fight.

So let us cheer on the two Pats, Buchanan and Robertson, and others of their ilk. They are lemmings, and they know it not. They are trying hard to lead their party to the sea. Far be it from us to tell them to watch that last step.

Jeff Steele is an attorney in private practice in San Francisco and Co-chair of the CGDC.

Remember before God Richard Plantagenet and
those who fell at Bosworth Field.

August 22, 1485

Logaulte me lie.

A Midsummer Night's Dream

Your intrepid editors, Pamela and Sarah, recently returned from a visit to the Oregon Shakespeare Festival where, during an evening performance of a particularly lurid Jacobean melodrama, they spied Jerry Brown seated two seats behind them. Later, while exiting the theater, Pamela whispered conspiratorially to Sarah, "Better he should be here than in Washington," whereupon, another theater-goer replied, "A wise statement."

Fletcher Shares (continued)

generally been from the Federal bench, a look at past Presidents, particularly FDR and Truman, reveals many politicians appointed to the Court. Candidates Mario Cuomo and Bruce Babbitt would have been more in the tradition of Earl Warren and Hugo Black.

However, Governor Cuomo removed himself from consideration early on and Secretary Babbitt was too valuable at Interior as a bridge between business and environmental interests. Thus the President returned to the Federal judiciary for a nominee.

Judge Steven Breyer of Boston, who seemed until the last moment to be the choice, would have been "a fine appointment," according to Mr. Fletcher. The last minute shift should not be interpreted as a criticism of his credentials, but appears to have resulted from the very real rapport that the President found with Judge Ginsberg at their lunch the day before the announcement.

Mr. Fletcher expressed regret that the process became so public. Frankly, he said, the Republicans did a better job of protecting the privacy of their candidates. Those who were considered and later rejected never saw their names in the paper or their chances analyzed on the nightly news.

However, the crucial thing is the quality of the final appointment and that is something with which Mr. Fletcher thinks we can be very pleased. Judge Ginsberg and the President apparently have compatible views on issues, judicial philosophy, and the importance of consensus over polarization. He expected her confirmation process to go smoothly.

Mr. Fletcher took a few questions on other issues, one of which was how our Club can help get the President's message out. He advised us to stay in "campaign mode"—write letters to the editor, call in to radio and TV talk shows, and write our Congresspersons. In addition we could hold events that the press would cover, giving us the opportunity to put forward a positive perspective. Our message? He suggests emphasizing that the President should be given a chance to govern. Give him the opportunity to put his programs and policies into practice. *Steve Byron works for a local company and is a member of the CGDC.*

Letters to the Editor

Dear Editor,

I strongly disagree with Ed Kelly's article in the July newsletter. Ross Perot will not be the Republican nominee in 1996 for a host of reasons:

First, and perhaps most important, Perot's economic plan includes some drastic tax hikes, like a 50 cent per gallon tax on gas. Republican voters simply will not go along with such ideas.

Second, in the eyes of many Republicans, Perot did in George Bush. He will not readily be forgiven.

Third, Perot has not labored in the trenches for the Party the way Dole, Gramm, Kemp and other potential candidates have. Perot does not command the loyalty of anyone in the Party apparatus, either on the state or national level.

Fourth, Perot gets nothing out of running as a Republican. He doesn't need their money, and he doesn't need to be saddled with their record or their ideology.

Perot has been talking like a Republican because criticizing Bill Clinton keeps

him in the spotlight. If Bush had won, Perot's criticism would be no less sharp. The Republicans' flirtation with him is temporary and expedient, but it will pass.

Jeff Steele, Oakland

Buchalter Serves

Club member Larry Buchalter is currently serving a one-year term on the Executive Board of the California Democratic Party. He has also been appointed to the Platform Committee which is one of the Standing Committees of the Party. Larry wants fellow members to know that the regional hearings on the platform will be held sometime this fall before November 15. Statewide platform hearings will be held in San Francisco on December 4.

The other Standing Committees are Affirmative Action, Campaign Services, Candidate Recruitment, Credentials, Finance, Legislation, and Organizational Development. Larry welcomes any questions or input on the work of these groups. His phone number in Berkeley is 540-0276.

Events of Interest

Clinton☆Gore Democratic Club

Business Meeting

Wednesday, August 11, 7:30 pm,

Claremont House, Oakland.

Alameda Democratic Club

"Reusable Energy Sources"

Wednesday, August 18, 7pm

A representative from the Union of Concerned Scientists will speak, Italian-American Hall, Alameda.

Clinton☆Gore Democratic Club

Summer Picnic

Sunday, August 22, 11am-6pm

Tilden Park, Willows Picnic Area. We will supply the hot dogs, chicken, soft drinks, chips, salad and dessert. \$3.00/adult, \$1.00/kids. Call Terry Sandoval to RSVP 530-5659.

March to Commemorate 30th Anniversary of Martin Luther King's March on Washington

Saturday, August 28, 11am-12noon
Gather in San Francisco at corner of Oak and Baker at 10am, march to Civic Center Plaza. Call Helen Koci for details 654-7213.

News & Views
3326 Liberty Avenue
Alameda, CA 94501

*The Clinton ☆ Gore Democratic Club
of Alameda County*

You Can Make a Difference !!

If you voted for President Clinton because you believed in his programs... If you now support his general initiatives... If you feel that he deserves the opportunity to put his program to work...

**Then, it is important to let
your voice be heard!!**

Those of us who are outraged at the constant barrage of criticism and negativity... the outright attempts to embarrass and challenge every move and action of the President... Those of us who see things from a more positive and supportive perspective...

**We have to make our voices
heard. We need to speak out!!**

It's important for our Senators and Representatives to know that the President has support.

It's important for the Conservative naysayers of both parties to know there is opposition to their point of view.

It's important for President Clinton to feel the support that he has in the country.

Here are some numbers to call and addresses to write:

Any Senator or Representative 1-202-224-3121
Senator Diane Feinstein 1-202-224-3841
Senator Barbara Boxer 1-202-224-3553
Senator Robert Dole 1-202-224-6521
Congressman Ron Dellums 1-510-763-0370..... 1-202-225-2661
Congressman Peter Stark 1-510-247-1388..... 1-202-225-5065

White House Comment Phone 1-202-456-1111

The White House
1600 Pennsylvania Ave.
Washington DC 20500

Senate and House Office Building
Washington DC 20510

Newspapers

New York Times
229 W. 43rd Street
New York NY 10036
1-212-556-1234

Washington Post
1150 15th Street NW
Washington DC 20007
1-202-394-6000

KGO AM Radio 810
900 Front Street
San Francisco CA 94110
1-415-832-8255

San Francisco Examiner
110 5th Street
San Francisco CA 94103
1-415-777-2424

San Francisco Chronicle
901 Mission Street
San Francisco CA 94103
1-415-777-1111

The Oakland Tribune
409 13th Street
Oakland CA 94612
1-510-645-2000

Television Shows and Stations

ABC News Nightline
Ted Koppel
1717 DeSales St. NW
Washington DC 20036
1-202-887-7364

Face The Nation
CBS News
2020 M Street NW
Washington DC 20036
1-202-457-4321

NBC Nightly News
30 Rockefeller Plaza
New York NY 10112
1-212-664-4971

Good Morning America
ABC News
1965 Broadway
New York NY 10023
1-212-496-4800

CBS Evening News
524 W. 57 Street
New York NY 10019
1-212-975-3693

CNN
One CNN Center
Box 105366
Atlanta GA 30348
1-404-827-1500

KGO TV Channel 7
1-415-954-7777

KPIX TV Channel 5
1-415-362-5550

Larry King Live
CNN
111 Massachusetts Ave NW
Washington DC 20001
1-202-898-7900

This Week With
David Brinkley - ABC News
1717 De Sales Street. NW
Washington DC 20036
1-202-887-7777

MacNeil-Lehrer News Hour
PO Box 2626
Washington DC 20013
1-703-998-2870

Meet the Press
NBC News
4001 Nebraska Ave NW
Washington DC 20016
1-202-855-4200

Crossfire CNN
111 Massachusetts Ave NW
Washington DC 20001
1-202-898-7951

Today Show
NBC News
30 Rockefeller Plaza
New York NY 10112
1-212-664-4249

KRON TV Channel 4
1-415-441-4444

KQED Channel 9
1-415-864-2000

Clinton ☆ Gore Democratic Club

Membership Form

Name	Date	
Address		
City	State	Zip
Eve. phone ()	Day Phone ()	Fax ()

Please make check for \$20.00 annual dues payable to
Clinton Gore Democratic Club and send to:

Manny Myers, Treasurer,
17 Fairview Avenue,
Piedmont CA 94610

If you would like to participate in activities that support the Clinton Agenda, join the Clinton Gore Democratic Club of Alameda County.

The Club is putting out an excellent newsletter and will be happy to send you one with information about meetings and membership.

Meetings, panel discussions, and speakers are being planned to give those interested an opportunity to learn more about specific aspects of President Clinton's proposed programs.

For more information call: Estelle

510 652-4445 Eves.

510 652-5310 Days

510-652-2725 Fax

News & Views

Clinton & Gore Democratic Club of Alameda County

Volume 1 Number 6

"Don't mess with Bill"

July 1993

Club Update

June was our busiest month yet, and perhaps our most successful. We held a panel discussion on health care in lieu of our general meeting on June 9. The turnout was good, and the discussion was lively and informative.

On Monday, June 21, many of us ditched work and went to see Vice President Al Gore speak at the Summer of Service ceremonies on Treasure Island. We presented the Veep with a framed copy of our mission statement and a bag of Peet's coffee (so he and Bill don't have to get theirs at McDonald's). Several of us shook his hand when he plunged into the crowd. Not only was it too, too, hip, but we hope it was good for the club. We need to be in the forefront of Party events so we can make friends and influence people.

Our July meeting will feature UC Berkeley law profes-

sor Willy Fletcher speaking about Ruth Ginsberg and the Supreme Court. Invite a friend. We're still looking to grow, and interesting programs are attractive to potential members.

We are considering planning a social event this summer so we can get to know each other outside the context of working meetings. Other political clubs hold annual retreats—but the Clinton & Gore Democratic Club never retreats, so maybe we'll just call it a picnic. We're also trying to arrange a joint meeting with the San Francisco and Marin Clinton/Gore clubs, possibly in November. We'll keep you posted.

Ideas for programs at general meetings are always welcome. We'll

take some time at our July meeting to do Club business, so if you've got an idea, come and share it with us.



Health Care Reform Forum

by Lucy Sells and Jeff Steele

On June 9, the Club listened to a discussion of health care reform by a panel of speakers including Joyce Lashof, Ph.D. and Dean Emerita of the School of Public Health at UC Berkeley; Stephen Schear, an attorney who has been active in promoting a Canadian-style, single payer system; David Kears, Director of Alameda County Health Care Services; Steven Shaw, an insurance underwriter; and Donna Guenther, M.D. a physician with Kaiser-Permanente. The discussion was moderated by Jeff Steele.

The discussion was lively to say the least. It opened with questions about problems with the current health care system. Dr. Guenther pointed out that even as the cost of health care has soared to 13% of the GNP, access has been decreasing - 40-50 million people are presently uninsured, 40% of which, surprisingly, are employed. Doctors, too, are unhappy with the current system since they dislike being micromanaged by the insurance companies. (An interesting point since many people assume that physicians oppose reform out of a desire to protect their incomes.)

The soaring cost and uneven distribution of medical technology was cited as a contributing factor. Dr. Lashof pointed out that the free market has no mechanism for allocating technology where it is needed. Mammography, for example, is an unevenly distributed technology that is unavailable to many women who need it. Mr. Schear took this a step further, arguing that mammograms are more readily available in Canada because there are fewer machines to perform the job.

With that, Mr. Schear launched into a passionate defense of a single payer plan. Armed with a wealth of statistics and charts,

Next Meeting: Wednesday, July 14 7:30 PM.
Claremont House, Oakland

Topic: Dr. William Fletcher will discuss President Clinton's first Supreme Court nomination.

Perspective on the Presidency

by Pamela Garrett

THE COMEBACK KID

"On the pulse of morning." That sun-drenched, spring-like day last January, we wore our cloaks of near-invincibility confidently, relishing their protective, hopeful warmth, countering cold reality with deceptive ease. The harsh lessons of the last decade ought to have taught us better. The chill came soon enough.

There were two false starts in the search for an Attorney General, then came the furor over homosexuals serving openly in the military, pitting the President against Sam Nunn, Colin Powell, and the Joint Chiefs of Staff a week after the inauguration, and repeated charges of campaign promises broken.

Public relations disasters have plagued the administration in recent weeks and, coupled with a deepening and rather disconcerting rift between the White House and the Washington press corps, have undoubtedly dismayed anyone who holds high hopes for the success of the Clinton Presidency. For those of us who worked actively and fervently for the President's election, recent stumbles by the White House have resulted in a disturbing degree of high anxiety. Watching the President's popularity plummet is no fun, and it has been difficult, at times, not to worry or become discouraged.

The most recent series of missteps—one might candidly describe them as blunders—ranging from the two hundred dollar haircut on the tarmac at LAX, to the obviously premature firing of the entire travel office staff left the White House reeling. Add to the frustrations of this already distracting brew a steady stream of particularly destructive leaks, and the result was, to many, the appearance of a President and White House staff in over their collective heads—floundering, unfocused, unprepared—more adept at squabbling with the press than focusing

like a laser on the economy. "It's Carter all over again!" was the lament of the day. Much as some members of the media and many Republicans would like that sentiment to ring true, it doesn't—and it won't.

The hiring of David Gergen as counselor to the President was a master stroke. Gergen, in spite of crafting Ronald Reagan's "trickle-down" economic program, is a moderate on most issues. Intelligent, thoughtful, and a rational thinker, Gergen is well liked and respected on both sides of the aisle. As devotees of MacNeil-Lehrer can attest, he is engaging and straightforward in public. In private, he is reputed to be a wily strategist and a tough manager—qualities that have seemed sorely lacking in some White House staffers.

The President's withdrawal of the Lani Guinier nomination—a nomination that never should have been made—was his only logical move. The political repercussions of the nomination and subsequent confirmation hearings would have been divisive and damaging. Whether or not Ms. Guinier's views were distorted and unjustly assailed, whether or not the President disagreed with them, opponents from both parties were gearing up to reject her nomination even before hearings began. The President was asking for a fight he couldn't win—and he knew it. Rather than invite further criticism from the public, the press, and members of his own party, the President wisely, if brutally, cut his losses.

The choice of Ruth Bader Ginsburg as the President's first appointee to the Supreme Court ought to satisfy almost everyone. A moderate on the federal bench and a pioneer in the arena of legal rights for women, the President described Judge Ginsburg as "a person of immense character." She has broad bipartisan support and her confirmation seems a virtual lock.

Had the President appointed Stephen Breyer to the high court, dominating the

news and public perception, would be the double-standard of a male appointee who, in spite of having failed to pay social security taxes for household help, received the Presidential nod. Had the Guinier nomination gone forward, filling the headlines would be unwelcome coverage of a divisive fight for a doomed nominee.

These decisions confirm what we have known all along: The President is a whole lot better than recent White House troubles might suggest. Bill Clinton has had his political obituary written more times than anyone currently in public life, and those foolish enough to sound a premature death knell to his Presidency don't know him at all. Proving once again that reports of his death have been greatly exaggerated, the President is learning to play the power game as it is played—not

Watching the President's popularity plummet is no fun.

in Little Rock—but in Washington. He's made mistakes, yes, but he's a very quick study who almost never makes the same mistake twice. The President not only understands the rules of the political power game, he's smart enough and savvy enough to master them.

At the end of the fifteenth century, Niccolo Machiavelli wrote that "nothing causes a prince to be so much esteemed as great enterprise and giving proof of prowess." The great enterprise is underway—from family and medical leave to abortion rights and a moderating voice on the Supreme Court, from changes in the military to campaign finance reform, from national service to economic growth, from deficit reduction to an overhaul of the health care system.

To succeed, the President must continue to prove his prowess. To win, he must play—adroitly and effectively. The stakes of the game are high—for all of us.

Pamela Garrett is an author, historian and Club member living in Oakland.

Waiting for Perot

by Ed Kelly

Ross Perot is a phenomenon of our times, sometimes maligned, but more often praised. In a time of cult leaders and TV evangelists he is a particularly interesting phenomenon. His actions during the campaign often appeared confusing, but they were not without cunning. Perot first entered the political arena as what can best be described as a gadfly. He was not a politician and this, coupled with his tremendous wealth and business acumen, gave him a national forum for his views. For the first time in American history an "undeclared candidate" was in the spotlight, presented as a genuine presidential contender. His poll ratings soared as he peddled his folksy and acidic remedies for resurrecting the economy. His status as a billionaire businessman was very appealing in hard economic times and the one-liners were unbeatable.

Tapping into a deepening dissatisfaction with politicians and government, his strategy was simple and brilliant: If the American people wanted him to be their president, they had to prove it, and the proof would be their placing him on the ballot in the fifty states. Perot thus strengthened his following and assured himself a place on the nightly news.



Next, Perot attacked George Bush and attracted many dissatisfied Republicans (note Pat Buchanan's credible showings in the early primaries) and Reagan Democrats to his camp. He also co-opted many of Bill Clinton's ideas, sounding very good to those Democrats not happy with candidate Clinton. As a sometime-candidate/non-candidate who did not seek matching funds, Perot did not have to comply with financial disclosure laws. Eventually the press turned up the heat and Perot realized that he was not going to be given the White House on a silver platter. His well-timed withdrawal upstaged the Democratic Convention and stole some of Bill Clinton's thunder. Following Perot's withdrawal and an uplifting convention performance by the Democrats, many of those Perot had wooed returned to the Democratic fold. Perot successfully avoided further press scrutiny and a grueling race for the remainder of the summer. He reentered in the final round, just in time to participate in the televised debate process and assure himself of plenty of prime time press coverage.

After Clinton's election, we were left with the following state of affairs: A defeated George Bush and a hobbled, scattered Republican party; the President-elect denied a majority due to the play of Ross Perot and his 19% of the vote—just the percentage the Republicans might need to take back the White House.

Now for the scary part: why is Ross Perot criticizing Clinton so relentlessly? Why is he meeting with freshmen Republicans? Why is he speaking in New Hampshire at the same time as other 1996 Republican hopefuls? Why are Ross Perot and "United We Stand" members and candidates in New Jersey? The picture emerges of Perot as the Republican nominee for 1996. "No way!" you may say, but add up the percentages: 19% + 36% = 55%. Deduct 5% for disenfranchised voters, and you still have a majority. In terms of electoral votes, Texas, Florida, and battleground California—states where Perot was very strong—come into play. The success of Clinton's economic plan will determine whether or not the President is successful in California

Clinton ☆ Gore Democratic Club of Alameda County California

Officers:

Co-chairs: Bevan Vinton and Jeff Steele
Secretary: Lucy Sells
Treasurer: Manny Myers

Committee chairs:

Membership: Gerry Kaplan
Policy & Issues: Ed Kelly
Melanie Sweeney Griffith
Outreach: Terry Sandoval
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Media: Molly O'Shea
Dan Fogel
Spec. Events: Mollie Hazen
Liaison: Sarah Rogerson
Newsletter: Sarah Rogerson
Pamela Garrett
Gerry Kaplan
Telephone: 510 287-8833

in 1996.

In case you haven't noticed, the 1996 campaign has begun. C-Span has covered recent events in New Hampshire—including Perot's appearances—on *Road to the White House*. Perot is the only "candidate" to begin with 19% of the vote. If he can take advantage of a large field of Republican contenders, he could win a couple of early primaries with 19% of the vote. In many of these Republican primaries the rule is "winner take all." That could help assure Perot the nomination.

Mr. Perot has had a free ride from the press and fellow candidates. It's time to stop *The Second Coming* of Perot. He must be scrutinized by the press as intensely as any other candidate. We all know that money is power, plain and simple. (How did he make all that money?) However, it cannot and should not buy the presidency of the United States. Yet one thing is clear, Ross Perot has created a whole new set of rules. For now I just sit here waiting for Perot to "muck out the barn."

Ed Kelly is a general contractor and Club member.



Through the diligent work of Marc Foster, 20 members of our club volunteered over 300 hours at the National Training Week held on Treasure Island June 19 - 25. Nearly 1,500 young people from across the nation gathered for this leadership training that was designed to build knowledge and skills necessary to serve and meet the needs of children. The Summer Of Service, SOS, programs will run in Atlanta, Baltimore, Boston, Oakland/East Bay, Los Angeles, New Orleans, Newark, New York City, Philadelphia, Delaware, Ohio, and Red Lake, Minnesota.

On Saturday the 19th, several members helped welcome the students as they arrived at San Francisco Airport. On Sunday, 15 of us reported to Treasure Island for crowd control at the Opening Ceremonies and to assist the SOS staff in the office and press room. Several volunteers helped pass out boxed lunches to the 1,500 participants. At this early stage, it appeared that

1993 SUMMER OF SERVICE AT TREASURE ISLAND

By Molly O'Shea



Clinton Gore Democratic Club Members at Summer of Service Ceremonies

many details had not been sorted out ahead of time. Examples were a lack of adequate trash cans and a big mix up in room assignments. Everyone was learning from the experience - staff, participants, AND the Navy!

Monday was a very exciting day for the Officers and Committee Chairs of the Club. The Democratic National Committee invited this group to attend the Vice President's speech to acknowledge our continued commitment to the administration. Armed with a framed copy of the our Mission Statement signed by the officers, we arrived at Treasure Island and were escorted to the VIP area directly in front of the podium. Al Gore gave a rousing speech encouraging everyone to build up their communities. "You're the FIRST!" he said, "[You can] change the world!... We've got problems right here in the United States. Somewhere in New Orleans there are smart kids who need guidance. The president can't do that, but YOU can." He encouraged the students by saying that this program will be to their generation what the Peace Corps was to his.

Renah Shnaider, seated in a special section and being treated like a Queen, was (by providence) whisked away by a Secret Service agent to a private reception for the Vice President! "I kept waiting for you guys to come in the door!" she said, wondering why the rest of us were not in the room. Renah introduced herself as a member of the Clinton ☆ Gore Club of Alameda County and got two thumbs up from Mr. Gore. All in all it was one of those days to record in your diary.

By Thursday the students' own leadership skills began to take root. In round table discussions, local program groups met and participants demanded to be heard. They voiced concerns, ideas, and problems they had with the training. These ranged from bad food and living conditions to conflicts between ethnic groups and specific issues with insensitive or out of touch leadership by program organizers. Some felt they were being exploited to benefit the government.

At the Closing Ceremony on Thursday evening we were once again providing the simple shepherding tasks so necessary for management of large crowds. With the help of Manny's eagle eyes, Bevan, Marc and I approached Eli Siegal and expressed the club's support for the program and our hopes for future involvement.

Themes of diversity, unity and respect for self and others filled the evening. The students ran the program and were entertained by the Glide Memorial Choir, the comedian Sinbad, and the rap group from "Made in America". One of the many stirring moments came when the entire audience of approximately 2,500 held hands raised high, swaying in unison, singing *We Shall Over Come*. Another followed a speech by three young women which ended with them leading a chant "We are the ones we've been looking for."

As if this wasn't enough, Friday morning the training was capped with a wonderful speech by Marion Wright Edleman as 1,500 tired but inspired students headed home for eight weeks of service in their communities. Our volunteers were there to facilitate the final steps and close down the operation.

We made a difference. We also had the opportunity to be privileged observers at the birth of what I believe will be one of



President Clinton's greatest achievements. Amidst all the shuffling from event to event, the seeds of a quiet revolution of our country's spirit were planted in these young people. This volunteer could only watch and wish that such a program had been in place when she was their age. I find myself pondering how different the country would be if our youth had been valued this way before now.

Thank you all for your time and effort and most of all for the professionalism with which you served the project. Each time we go out into the community as volunteers we take another step toward building our reputation as a group of people who are ready to work and ready to have a positive impact on the outcome of programs and legislation important to the President.

Molly O'Shea is a club member and an aide in the office of a local Congressman



Sarah Rogerson and Bevan Vinton with a SOS volunteer from Berkeley

The Gay Ban: Just Plain Un-American

by Barry Goldwater

After more than 50 years in the military and politics, I am still amazed to see how upset people can get over nothing. Lifting the ban on gays in the military isn't exactly nothing but it's pretty damn close.

Everyone knows that gays have served honorably in the military since at least the time of Julius Caesar. They'll still be serving long after we're all dead and buried. That should not surprise anyone.

But most Americans should be shocked to know that while the country's economy is going down the tubes, the military has wasted a half-billion dollars over the past decade chasing down gays and running them out of the armed services.

It's no great secret that military studies have proven again and again that there's no valid reason for keeping the ban on gays. Some thought gays were crazy, but then found that wasn't true. Then they decided gays were a security risk, but again the Department of Defense decided that wasn't so - in fact, one study by the Navy in 1956 that has never been made public found gays to be good security risks. Even Larry Korb, President Reagan's man in charge of implementing the Pentagon ban on gays, now admits it was a dumb idea. No wonder my friend Dick Cheney, secretary of defense under President Bush, called it "a bit of an old chestnut."

When the facts lead to one conclusion, I say it's time to act, not to hide. The country and the military know that eventually the ban will be lifted. The only remaining questions are how much muck will we all be dragged through, and how many brave Americans like Tom Panaccia and Col. Margarethe Cammermayer will have their lives and careers destroyed in a senseless attempt to stall the inevitable.

Some in Congress think I'm wrong. They say we absolutely must continue to discriminate or all hell will break loose. Who knows, they say, perhaps our soldiers may even take up arms against each other.

Well, that's just stupid.

Years ago I was a lieutenant in charge of an all-black unit. Military leaders at the time believed that blacks lacked

leadership potential - period. That seems ridiculous now, as it should. Now, each and every man and woman who serves this nation takes orders from a black man - our own General Colin Powell.

Nobody thought blacks or women could ever be integrated into the military. Many thought an all-volunteer force could never protect our national interest. Well, it has - and despite those who feared the worst, I among them, we are still the best and will continue to be.

The point is that decisions are always a lot easier to make in hindsight, but we seldom have that luxury. That's why the future of our country depends on leadership, and that's what we need now.

I served in the armed forces. I have flown more than 150 of the best fighter planes and bombers this country manufactured. I founded the Arizona National Guard. I chaired the

Senate Armed Services Committee. And I think it's high time to pull the curtains on this charade of policy.

What would undermine our readiness would be a compromise policy like "Don't ask, don't tell." That compromise doesn't deal with the issue - it tries to hide it.

We have wasted enough precious time, money and talent trying to persecute and pretend. It's time to stop burying our heads in the sand and denying reality for the sake of politics. It's time to deal with this straight on and be done with it. It's time to get on with more important business.

The conservative movement, to which I subscribe, has as one of its basic tenets the belief that government should stay out of people's private lives. Government governs best when it governs least - and stays out of the impossible task of legislating morality. But legislating some one's version of morality is exactly what we do by perpetuating discrimination against gays. When you get down to it, no American able to serve should be allowed, much less given an excuse, not to serve his or her country. We need all our talent.

If I were in the Senate today, I would rise on the Senate floor in support of our commander in chief. He may be a Democrat, but he happens to be right on this question.

Barry Goldwater, a former Senator from Arizona, was the Republican nominee for president in 1964. He wrote this article for the Washington Post.

**I say it's time to act,
not to hide.**

Health Reform (Cont.)

he singled out insurance companies as a major factor in rising costs, claiming that the current system of claims and reimbursements results in high administrative overhead and waste. When Mr. Steele pointed the difficulty of convincing people that a government monopoly would result in less overhead and bureaucratic waste than a competitive system, Mr. Schear responded that the Canadian experience proves the truth of his argument. In his view, people simply need to be educated about the advantages of single payer in order to overcome their suspicions about government-run programs.

Steve Shaw rose to the defense of the insurance industry. He denigrated the worth of the anecdotal evidence cited by Mr. Schear and claimed that he could counter with anecdotal evidence of his own, though he did not believe such examples should be the basis for policy decisions. For example, he claimed that private physicians in Great Britain (which also has a national health system) advertise specific procedures and prices for them in London taxicabs, catering to those many who are unhappy with the delivery system there. He also claimed that 85% of the concerns raised by Mr. Schear could be addressed by some kind of market-based reform.

Dr. Guenther added that hospitals acquire technology for the prestige of having it and to attract the best physicians - not because there is a demand or even a need for it. Thus technology is distributed without regard for considerations such as the cost to the patient or the efficacy of preventive care that might obviate the need for some of these procedures.

In her view, health care reform will inevitably mean making ethical and moral choices about how much we as a society are willing to spend on the specific needs of individuals. We need to decide whether we can afford to continue to spend huge sums of money to keep very premature, low birth weight infants or the terminally ill alive. At the same time, we need to focus more on the social issues that overburden the health care system such as poverty, violent crime, and drug addiction, and

on the need for education and preventive care.

Cost shifting was cited by all panelists as a major problem. When providers feel they are undercompensated by one insurer for a service, they try to make it up at the expense of the next patient or insurer. The result is prices for services that vary wildly - not just from provider to provider but from day to day for the same provider. It is therefore virtually impossible for consumers to know what a fair price is for a given service, which clarifies one reason why market forces don't seem to reduce prices in health care.

Mr. Kears presented a pessimistic view of the chances for real health care reform. He presented himself as an advocate for the poor. In his opinion, if health care was meaningfully reformed so as to provide the poor with access to quality care and real choice, everyone currently involved in health care would lose some access, power, money, or all of the above. He therefore fears that the White House will present a plan that attempts to "buy off" the middle class while shunting the poor off into managed care programs that provide minimal care and choice.

Perhaps the most significant aspect of the evening's discussion was that it revealed the bewildering complexity of the problem. It is difficult to talk about health care reform without discussing issues such as economic stratification and inequality, malpractice costs, the ethics of rationing health care, and social problems that overburden the current system.

Moreover, the statistics showing how many of the people who are without health care hold jobs is instructive. Perhaps trying to "buy off" the middle class is wrong, as Mr. Kears contends. Nevertheless, politicians who would oppose health care reform should take note that such reform is not an entitlement program for the poor. It is, instead, a relief measure desperately needed by all Americans if we are to keep the monster of health care costs under control and significantly impact on the deficit.

Jeff Steele is an attorney in private practice in San Francisco. Lucy Sells is a senior administrative analyst in the President's Office of the University of California.

Clinton ☆ Gore Democratic Club

Membership Form

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Please make check for \$20.00 annual dues payable to Clinton Gore Democratic Club and send to:
Manny Myers, Treasurer, 17 Fairview Avenue, Piedmont CA 94610

Letters to the Editor

Dear Editor:

I find myself dismayed by the national and local press giving our president, Bill Clinton, a bad rap. I feel that it is time to turn the tables on news media bias by complaining about the unbalanced coverage. It is up to us as members of the Clinton ☆ Gore Democratic Club to respond to the negative information that is fed to us on a daily basis.

I urge all of our members to write "Letters to the Editor" to our local and national news media. If you do not have the time to write a letter perhaps you could try calling to voice your opinion. Many of the national news media have incorporated voice mail as part of their phone system.

I offer a few guidelines when writing a "Letter to the Editor:"

- When an issue grabs your attention and you want to write a letter, act immediately. Letters that respond to events and issues currently in the news have a much better chance of getting published than those dealing with subjects that have long vanished from the news pages.

- Keep the letter as concise as possible. Try not to exceed one double-spaced

typed page or roughly 250 words. Longer letters will be cut at the editors discretion or worse yet may not make it into print.

- Dazzle the editor with good writing, persuasion and documentation. Your first paragraph, not more than two or three sentences, should introduce the subject and assert a thesis, a proposition or main point that's held together by logical argument.

- After completing the letter, you must include your signature, address and daytime telephone number. Anonymous letters are accepted only under extremely unusual circumstances.

- In addition to sending your letter to the "Letters to the Editor" department, send copies to the reporter whose article you might be responding to, as well as his or her immediate editor.

- Do not get discouraged if your letter does not get published. Newspapers print only about one-fourth of the letters they actually receive. If you do not make the cut the first time, keep writing. You will eventually get published.

Terry A. Sandoval, May 25, 1993

Editors Note: This letter was cut at the discretion of the editor. It exceeded the author's recommended length.

Events of Interest

Clinton ☆ Gore Democratic Club
"The First Supreme Court
Nomination"

Wednesday, July 14, 7pm
Dr. Willy Fletcher will speak on the nominee, the process and things in general. Claremont House, Oakland.

Clinton ☆ Gore Club/S.F.
Susan Frankel, president of Raoul
Wallenberg Democratic Club

Wednesday, July 14, 7:30 pm
Ms. Frankel will speak on ways to build relations between Clubs; also there will be discussion on the AIDS Czar, gays in the military. Congregation Sah'ar Zhav, 220 Danvers St., S.F.

City of Alameda Democratic Club
"Childbirth and Health Care
Reform"

Wednesday, July 21, 7 pm
Jessica Mitford, author of *The American Way of Birth*, will speak. Italian-American Hall, Alameda.

News & Views
3326 Liberty Avenue
Alameda, CA 94501

THE PRESIDENT HAS SEEN 8/30

New York Times

1993 AUGUST 16

National Edition

Southwest: Heat wave continues. Sunny and dry, central Texas, Oklahoma, and Arkansas. Highs 98-102. A few thunderstorms, especially along Louisiana coast. Weather map, page B5.

Printed in Texas

75 CENTS

A History of Pollution in Mexico Casts Clouds Over Trade Accord

By TIM GOLDEN

Special to The New York Times

TIJUANA, Mexico, Aug. 14 - With mounds of lead waste smoldering at an abandoned battery-recycling plant outside town, toxic garbage piling up at the local dumps and industrial discharges flowing untreated into rivers and sewers, a new environmental enforcement agency opened offices here last fall promising to crack down as never before.

Ramiro Zaragoza, the young lawyer in charge, hired 33 inspectors, outfitted them in green windbreakers and began training them to take on the malfeasants. In Mexico City, officials announced a new dawn in the country's fight against pollution, new proof that if Mexico was allowed to join Canada and the United States in the North American Free Trade Agreement it would not sacrifice its environment to attract business across the border.

Toxic Legacy of Decades

But in Tijuana it was not that easy. Other agencies would not lend their files on the city's 700 industrial plants, officials in and outside the enforcement office say. Laboratory studies could not be done for lack of equipment or supplies. Then, for five months and without explanation, paychecks did not arrive. Mr. Zaragoza says he is as determined as ever, but only five of his inspectors are still on the job.

"We've been bluffing," he said, sitting behind his desk and doing his best to smile. "If they knew how few people we had, they would just laugh at us."

Faced with the toxic legacy of four decades of almost unregulated industrialization and desperate to win approval for the pending trade agreement, Mexico has taken extraordinary measures in the last few years to strengthen its environmental controls.

On Friday, Mexico, Canada and the

A Partner's Hurdles

Mexico Faces Free Trade

Second of two articles.

United States also announced supplemental accords intended to insure the enforcement of Mexican labor and environmental standards under the agreement, which would eliminate most barriers to trade and investment among the three countries.

Supporters of the trade pact say the side accords will force compliance by investing three-nation labor and environment commissions with the power to impose fines and trade sanctions as penalties of last resort against Mexican violators. The proposed arbitration process is complicated and long, however, and many environmentalists emphasize that it will ultimately be up to the Mexican Government to see that its goal of rapid economic development for the country's 84 million people does not come at an enormous environmental cost.

The Problem Is Huge

But despite hundreds of new inspectors, millions of dollars in environmental projects and many speeches by President Carlos Salinas de Gortari declaring Mexico's commitment to protecting the environment, even some in the Government acknowledge that the country has only started, somewhat haltingly, to confront a problem of staggering proportions.

"We have just begun to scratch the surface of what needs to be done," said the director of the National Institute of Ecology, Sergio Reyes Luján.

Mexican ecological laws are viewed by many environmentalists as good and getting better. But a close look at Government environmental programs

Continued on Page A6, Column 1

U.S. TO GUARANTEE FREE IMMUNIZATION FOR POOR CHILDREN

CONGRESS SUPPORTS PLAN

Government Will Buy Vaccine
and Supervise Distribution
— Drug Makers Leery

By ROBERT PEAR

Special to The New York Times

WASHINGTON, Aug. 15 - Over strenuous objections by some drug companies, the Federal Government is establishing a program guaranteeing free vaccine for millions of children who are poor or uninsured.

Under the program, which Congress created as part of the budget bill and the President signed into law on Tuesday, the Government will buy the vaccine at discount prices from drug manufacturers and distribute it at no charge to doctors who choose to participate. The doctors, in turn, will not charge patients for the vaccine. Though they may charge a fee for administering the vaccine, they cannot turn away a child whose parents are unable to pay.

For procedural reasons having to do with Senate rules, a key appropriation for the new program had to be dropped from the budget bill and now awaits enactment when Congress reconvenes early next month. But that provision — making Federal money available to clinics so they can hire additional staff members, extend their hours of operation and identify children who need to be immunized — has bipartisan support in Congress and is sure to be enacted when Congress returns.

Identifying the Children

Drug companies have argued that parental negligence, not the cost of

Creating Electronic Editions,

Mexico's Vast Pollution Is Cloud Over Trade Pact

Continued From Page A1

suggests that those laws are being undermined for reasons that may persist despite the new threat of trade sanctions.

While new environmental inspectors have fanned out across Mexico, their work continues to be hampered by insufficient and uncertain resources, political considerations and, at least occasionally, by corruption. Where the Government has cracked down on polluting industries, it has barely started to follow up with alternatives for those put out of business or incentives for steady compliance.

Glaring Lack of Services

Strategies to limit the use of hazardous materials or otherwise prevent pollution are almost unheard of. And the public disclosure of information about companies' environmental practices is almost unimaginable.

As officials evoke images of a vast consumer market with boundless opportunities for investment, Mexico's lack of basic environmental services is glaring: in the Valley of Mexico, home



Obstacles to environmental enforcement in Tijuana suggest wider problems for Mexico.

to the capital and some 16 million people, almost nine-tenths of the waste water still goes untreated, according to Government figures. For some 60,000 industrial companies, there is a single toxic-waste landfill. There are no commercial incinerators for toxic wastes.

Mr. Reyes, a blunt-spoken physician who has led Mexico's environmental efforts since 1986, can recall an agency that performed no inspections, did not even measure the air in Mexico City and got its first computer when he borrowed it from his 21-year-old son. He is astonished by "the rate of change," a phrase that has become his public mantra.

The Border

The Boom Is Clear, So's the Blight

Public debate in the United States is being driven largely by the experience of the border, where Government promises of a better tomorrow have a long, bitter past. Here, the dangers have already been vivid for two decades, as Mexico has drawn hundreds of foreign-owned industrial plants, called maquiladoras, with tariff, tax and other incentives.

In Ciudad Juárez, the problems are as plain as the great brown banks of smog that drift across the Rio Grande into El Paso, Tex. Elsewhere, they are sometimes less visible but more frightening: In Brownsville, Tex., an inexplicably high incidence of babies who are delivered stillborn without brains has led people to suspect contamination from industries just across the border in Matamoros, where the same phenomenon has appeared.

One fear that American environmentalists draw from the industrial boom along the border is that freer trade will mean more traffic, more industry and thus more pollution. But that focus

underscores how little the accord's potential impact has been studied and how narrowly it has been seen.

Some economists believe that the crush of industry along the border could actually diminish under the agreement. But scant attention has been paid to the possible environmental effects on the Mexican interior of new activity in areas like agriculture, mining and forestry.

The new "U.S.A.-style" dry-cleaning outlets popping up around Mexico City hint at the vast range of problems. Unlike American dry-cleaners, which are closely monitored by the Environmental Protection Agency, nearly all the Mexican operations dump their hazardous wastes in the trash, a franchise manager, Alberto Shamosh, said. He told of searching for months and then paying dearly to have a waste company from Guadalajara take away his chemical sludge.

Upholding the demands of some American environmental groups for a fuller accounting of the trade agreement's effects, a Federal judge ordered the Clinton Administration last month to provide a complete environmental impact assessment. The Administration has appealed the decision, which could delay carrying out the pact well beyond Jan. 1, when it is supposed to take effect. A ruling for the appeal is expected in late September.

Hoping to dispel pressure for such a study, the Bush Administration released a report last year dismissing the other major fear of American environmentalists: that a trade agreement might turn Mexico into a haven for industries trying to escape tougher environmental regulations in the United States.

Environmental Protection Agency officials acknowledge that some furniture manufacturers, automobile repair shops and other businesses have already moved to Mexico for just this reason. They insist, though, that cheaper labor and lower environmental-regulation costs might defray the expense of relocation only for a tiny handful of industries that could be easily controlled.

The Newcomers

Laws Are Flouted, Reforms Touted

Tijuana is not convinced. "They have come here from all over, saying they are going to help us, but they are going to help us," said Manuel Sánchez, a community organizer in Ejido Chilpancingo, a dusty sprawl of tarpaper and brick that sits just below a big maquiladora zone on the city's outskirts. "But when it comes to complying with the ecological laws, they say they cannot speak Spanish."

For the most part, Mr. Sánchez said, the authorities ignore him. But they have been paying more attention since March 8, when sewer openings in the neighborhood exploded and he led a clutch of firemen and inspectors to a waste recycling business in the industrial park.

Just as the posse arrived, the company's owner and two workers were pouring barrels of toxic chemicals down a sewer drain. Investigators concluded that they had been doing so for years.

By law, the foreign-owned plants are obliged to ship their hazardous wastes back out of Mexico for disposal. In practice, officials say, there is a flourishing, unofficial, waste-dumping. A United States Congressional study last year found that fewer than one-third of the plants even reported on their wastes as required and that the reports went virtually unchecked.

Compared with even two years ago, Mexican officials assert, their ability to track and control such problems has taken a giant leap forward.

At one point in 1991, according to Government figures, the country's environmental agency had seven inspectors assigned to 15,000 industries in Mexico City. Under the new agency set up last fall, the office of the Attorney General for Environmental Protection,

After four decades of almost unrelenting pressure to win approval for the pact without much success to strengthen



The lake behind Maria Trindade at the bottom of a hill in the Mother neighborhood of Tijuana, has been

inspections officially jumped from 1,360 in all of 1989 to 6,537 in the first four months of this year.

While many environmentalists consider those figures suspect, there is no dispute that tens of millions of dollars have been committed to new sewage treatment plants, new landfills, new air-quality monitoring programs. More than 200 new environmental regulations are being written or rewritten with the help of international consultants.

The Inspectors

Paltry Resources (And No Paycheck)

In their campaign to push the trade



Richard Perry

regulated industrialization, Mexico, pending trade agreement, is trying its environmental controls. More

than 300 drums of toxic and industrial wastes were found last year near Ciudad Juárez, just miles from the Texas border, where pigs that would later be slaughtered for food were running loose.



Roberto Córdova for The New York Times

varro's home, at mesa of Calcutta n contaminated

with waste from some of the more than 130 industrial plants at the top of the hill. Residents have to buy their drinking water from trucks.

The head of the Juárez office was dismissed as well. But according to some Mexican and American environmental officials who spoke on condition of anonymity, his more serious failing may have been to push hard for inspections against the wishes of superiors afraid of angering local businessmen on the eve of a national presidential campaign.

Government officials denied that charge. They do not dispute, however, that the minister in charge of development programs and environmental affairs, Luis Donaldo Colosio, is considered a leading contender for the gov-

erning party's nomination and many of his subordinates campaign intensely, if quietly, on his behalf.

The Prospects

Some Pray the Pact Will Bring Converts

Much as they have complained about the shortcomings of Mexican enforcement, many environmentalists acknowledge that more rigorous inspection of manufacturing plants is only

one of the needed improvements in the country's environmental controls. The question is whether, when the factories reopen, anything has really changed. J. Michael McCloskey, chairman of the Sierra Club, said in an interview in Washington.

Among the statistics that Salinas Administration officials routinely hand out, there is no count of follow-up inspections. Efforts are under way to make industries pay for their own waste treatment, and in what supporters of the trade agreement hail as a sign of the environmental cooperation it will encourage, Mexican officials and Los Angeles County prosecutors in June forced an American company to pay \$2.5 million to clean up lead wastes from the battery-recycling plant it operated outside Tijuana.

But for now, pollution-prevention efforts are almost nonexistent, and incentive-based solutions to specific pollution problems are just getting off the drawing board.

In a 1991 study often quoted by Mexican officials, two Princeton University economists, Gene M. Grossman and Alan B. Krueger, conclude that "economic growth tends to alleviate pollution problems once a country's per capita income reaches about \$4,000 to \$5,000" — Mexico's level now.

To many Mexican and American environmentalists, the study, prepared for a conference sponsored by the Mexican trade ministry, smacks of wishful thinking. But if changing attitudes is more complex a matter than the average amount of money in people's pockets, more and more American environmentalists have come to support the trade pact on the ground that it might strengthen Mexicans' environmental awareness along with their economy.

Just across from El Paso, where the pressure is building for binational solutions to the air-pollution problem, a brickmaker in Ciudad Juárez, Pedro González, lent support for this thesis. He was describing the Government's insistence that he stop burning tires and sawdust in his kiln and start burning propane gas.

"The truth is, all of this is happening because the gabachos are pressuring us," he said of the move toward cleaner fuels, using slang for Americans. "But we have families, too. The owners may not care. But we have to live here."

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: DAVE GERGEN

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:

THE PRESIDENT HAS SEEN

August 6, 1993

Mr. President:

It is not everything, but you cannot discount the number of people whose lives will be better next year because you won the election and fought for this package.

Congratulations,



Cough
we need an ongoing
strategy to communicate
who wins & how, perhaps
then more targeted, in general
communications channels
B

EXAMPLES OF PEOPLE WHO WILL BENEFIT FROM THE PRESIDENT'S ECONOMIC PLAN IN THE FIRST YEAR

EARNED INCOME TAX CREDIT:

5 million people who work full-time at minimum wage will receive the EITC for the first time

1 million families with children will be eligible for the first time.

About 10 million of the 14 million current recipients with children will receive additional new benefits -- some quite large -- so that every family with a full-time working parent is above the poverty line.

FAMILY PRESERVATION: 100,000 children will benefit from family preservation.

HUNGER RELIEF: 4.5 million -- many children in danger of being homeless -- will get their food stamps increased.

WIC: 600,000 more poor women with children will get better nutrition and care in FY 1994 alone.

IMMUNIZATION: 6.5 million uninsured and under-insured children will be eligible for free shots

FIRST EMPOWERMENT ZONES proposal, after 12 years of trying and failing.

Millions of young people will have access to cheaper loans with an easier repayment system.

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: MACK MCLARTY

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

Information ☒

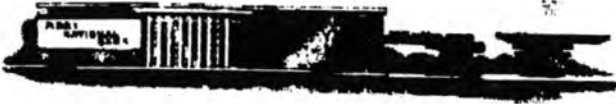
Action ☐

Thank you.

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

cc:

THE PRESIDENT HAS SEEN



1st First National Bank
OF HOPE

HOPE, ARKANSAS 71801
PHONE 801-777-2363
FAX 801-777-2297

THOMAS E. HAYS, JR.
Chairman of the Board
Chief Executive Officer

August 19, 1993

The Honorable Thomas F. McLarty
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mack:

If the President and Mrs. Clinton plan to visit Nantucket while they are vacationing on Martha's Vineyard, we want them to know that the best restaurant on Nantucket is the "Ship's Inn", owner and chef is Mark Hays Gottwald.

Sincerely,

Thomas E. Hays, Jr.
Chairman and C.E.O.

TEH,Jr:dl

Mark
Never made it
to Nantucket -
Sorry!

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: LINDA LADER

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:

THE PRESIDENT HAS SEEN

LINDA LESOURD LADER

TO: The President

DATE: August 11, 1993

It was great to see you yesterday! To follow up on our conversation then, I this morning spoke with Bill Hybels. He says he is still available to fulfill what he remembers to have been the commitment you and he made in May. I am very disappointed that, notwithstanding repeated efforts, we have not yet been able to get a meeting with him or any other Christian leaders on your schedule. I shall keep trying! I also had a good conversation with Keith Sjorstrand recently.

Plans do seem to be proceeding for a breakfast for 100 religious leaders on August 30. I think this is a good thing to do, but of course it would not accomplish some of the other objectives we have discussed. (Hybels is not interested in attending such a large meeting, but some other evangelicals will be on the list.)

Please let Nancy know how and when you want to proceed with any of the smaller gatherings. I continue to be ready to implement your preferences.

What a terrible rumor--that you don't really want to go on vacation! (We'd be happy to find you a place on Hilton Head or elsewhere if you have "nowhere to go" . . .)

But I hope you don't really think that you cannot afford to take the time. As I see it, you cannot afford not to! With all due respect, I truly believe that the best thing you could do for the country and your Administration right now--not to mention for yourself and your family--is to stop and rest. (Hop-scotching around from the Pope to Gerald Ford to the National Governors Conference certainly doesn't count.) **Most of all, I wish for you time away, to think the big thoughts, to take the long view, to re-evaluate what is important to you, to decide again how you want to spend your time.** I suspect you have not be able to do this since the campaign began two years ago.

One of the few civilized customs remaining in official Washington is the August vacation. Please don't contribute to its demise!

Because we care about you
J. Lader

No Lader
Am have to
tell him (Hybels)
& he can help
PE

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: KATIE MCGINTY

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:



THE PRESIDENT HAS SEEN
8-30-93

Kabu

→ Call off the briefing
he wants to know how sales
can resume — how sales



THE WHITE HOUSE

WASHINGTON

Dear Senator Hatfield:

Thank you for contacting me regarding your thoughts about my Forest Management Plan and your concerns about the federal timber sale program. It was good to hear from you.

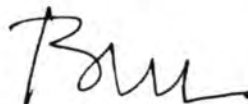
I believe that my Forest Management Plan adequately addresses the very important concerns that you have raised. The plan allows for a sustainable harvest of timber, while also providing economic assistance for the displaced workers of the region. We were also successful in continuing payment to counties which depend on timber receipts through the reconciliation package.

I agree with you about the need to begin holding timber sales as soon as possible. We are doing everything we can to step up the timetable in this regard. The Administration is working with environmental group plaintiffs to identify sales that can go forward immediately. We hope to join with the plaintiffs in joint motions to Judge Dwyer in this regard. We are hopeful that Judge Dwyer will grant permission in the near future to proceed with several hundred million board feet of timber.

This Administration is also proceeding expeditiously to comply with the administrative requirements to modify agency land and resource management plans. I anticipate that we will fulfill most of those by the end of January. Of course, if you would like a personal briefing on our progress, Katie McGinty, Director of the White House Office on Environmental Policy, would be available at your convenience.

Again, thank you for sharing your thoughts with me.

Sincerely,



The Honorable Mark O. Hatfield
United States Senate
Washington, D.C. 20510

**THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

INCOMING

DATE RECEIVED: AUGUST 13, 1993

NAME OF CORRESPONDENT: THE HONORABLE MARK O. HATFIELD

SUBJECT: DISCUSSES CONCERN REGARDING THE PRESIDENT'S
FOREST PROPOSAL

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION		DISPOSITION	
		ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
HOWARD PASTER		ORG	93/08/10	HP	A 93/08/10
✓ HOWARD PASTER	REFERRAL NOTE: _____	DJ	93/08/13	_____	____/____/____
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	REFERRAL NOTE: _____	_____	____/____/____	_____	____/____/____
	REFERRAL NOTE: _____	_____	____/____/____	_____	____/____/____

COMMENTS: _____

ADDITIONAL CORRESPONDENTS: MEDIA: L INDIVIDUAL CODES: 1220 _____
 _____ MAIL USER CODES: (A) R OR (B) _____ (C) _____

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*ACTION CODES:          *DISPOSITION          *OUTGOING          *
*                      *                      *CORRESPONDENCE:  *
*A-APPROPRIATE ACTION  *A-ANSWERED          *TYPE RESP=INITIALS *
*C-COMMENT/RECOM       *B-NON-SPEC-REFERRAL *      OF SIGNER    *
*D-DRAFT RESPONSE      *C-COMPLETED          *      CODE = A      *
*F-FURNISH FACT SHEET  *S-SUSPENDED          *COMPLETED = DATE OF *
*I-INFO COPY/NO ACT NEC*                      *      OUTGOING     *
*R-DIRECT REPLY W/COPY *                      *                      *
*S-FOR-SIGNATURE       *                      *                      *
*X-INTERIM REPLY       *                      *                      *
*****
  
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
 (ROOM 75, OEOB) EXT-2590
 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
 LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
 MANAGEMENT.

SCANNED

United States Senate

WASHINGTON, DC 20510-3701

93 AUG 10 AM : 19

August 6, 1993

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

Dear Mr. President:

Your willingness to convene the Forest Conference in Portland last April displayed your strong personal interest in the lives of the residents of my region, and was particularly underscored by your setting of a "no net job loss" goal. The statements made during both the Forest Conference and the period immediately preceding the announcement of your plan gave these people hope that this goal could be achieved and their lives and futures would be restored.

As a senator from the state most affected by your proposed forest policy, and one who has been intimately involved in this issue for several years, I understand only too well the difficulties you encountered in attempting to develop a fair and balanced plan that would be accepted by the public. I know you intend that your plan's goals are reached, but that may be difficult in light of the many administrative and legal hurdles it now faces. Considering the dire circumstances facing the forest products workers, families, and communities with the supply of federal timber now nearly exhausted, this plan represents a significant risk for my region.

Although I remain dedicated to the development of a scientifically and economically balanced and defensible forest management framework, I am convinced that the federal timber sale program set forth by your Administration's plan is unnecessarily low. I strongly believe that, in addition to setting overall forest management guidance, it is crucial to revive the sale of federal timber as soon as possible so the modest level of sales predicted by your Administration can be achieved.

I know you have every intention of ensuring that the timber sale program predicted by your Administration for my region will occur by this winter. I also understand that you intend to accomplish this objective solely through the administrative process. Unfortunately, I have not received enough information to appreciate how this process will result in a guaranteed timber sale program over the short-term. While I am not suggesting

President Bill Clinton
August 6, 1993
Page 2

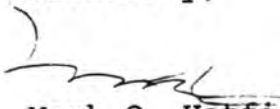
such a goal is impossible to attain, there should be no misunderstanding that the time frame in which to resume the flow of federal timber to communities experiencing supply shortages is relatively narrow. Perhaps my concern could be reduced if I were better apprised of the methods being employed by your Administration to accomplish your objectives.

Meeting the short-term needs of the distressed people and communities in the Pacific Northwest is my highest priority. Some elements of your economic assistance proposal are already included in the fiscal year 1994 appropriations bills. Progress on resuming the timber sale program, however, is not as apparent. If you should determine that the administrative process will not result in the timber sale program predicted by your administration for the next twelve months, there is still time to employ the legislative process to achieve this commitment. The potential legislative opportunities, however, are quite limited. The most appropriate legislative vehicles will be considered during September. Beyond that, the options rapidly diminish.

Although I cannot support many of the components of your forest proposal, I stand ready to assist you in every conceivable way to ensure that the timber sale level predicted by your Administration will be sold by the federal government as soon as possible. Please do not hesitate to let me know how I may be of assistance in this effort.

With warm personal regards,

Sincerely,



Mark O. Hatfield
United States Senator

THE WHITE HOUSE

WASHINGTON

August 10, 1993

Dear Senator Hatfield:

Thank you for your letter regarding the President's forest proposal. I appreciate your informing the President of your concerns.

The President has been advised of your interest in this matter, and you will receive a response from him in the near future. In the meantime, if I can be of assistance to you, do not hesitate to contact my office.

Best wishes.

Sincerely,



Howard G. Paster
Assistant to the President
for Legislative Affairs

The Honorable Mark O. Hatfield
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

August 10, 1993

MEMORANDUM FOR KATIE MCGINTY

FROM: HOWARD G. PASTER
LEGISLATIVE AFFAIRS *HP*

SUBJECT: Forest Policy

Enclosed please find a copy of the letter that was sent to the President from Senator Mark Hatfield (R-OR). I have also enclosed a copy of the acknowledgement letter I sent to him.

The President has requested that he see and sign every letter going to Capitol Hill. We did not want to fully answer the issues addressed in the Senator's letter without advice from your department; therefore, I am requesting that your office draft a response and return it to LeeAnn Inadomi (WH-East Wing) within 48 hours. She will then print the letter in final form and have President Clinton sign the letter.

Thank you very much for your assistance with this matter. If you have any questions, please feel free to call LeeAnn at 456-7500.

Enclosure

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: MARCIA HALE/SCHEDULING DIRECTOR

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:

OFFICE OF THE MAYOR
SAN FRANCISCO 94102

Honorable Bill Clinton
President of The United
States

THE PRESIDENT HAS SEEN

* Scheduling request



August 13, 1993

Dear Mr. President:

On June 26, 1995, world attention will be focused on San Francisco as we commemorate the 50th Anniversary of the Signing of the United Nations Charter. Your participation would add considerably to the stature of this celebration and we would be honored to have you join us to commemorate this seminal event.

The Commemoration of the 50th Anniversary of the Signing of the United Nations Charter offers an opportunity for a forward-looking dialogue about the United Nations and its changing role in the world. The appropriate place for such a discussion is San Francisco, where 50 nations gathered almost 50 years ago with a vision for a new world order.

Two Presidents of the United States have visited San Francisco in relation to the United Nations. The first was Harry Truman who addressed the 50 nations that signed the Charter on June 26, 1945; the second was Lyndon Johnson who participated in the 20th Anniversary Commemorative in 1965. Given the leadership that your administration has already shown regarding U. N. reform, your participation in this event would be an important statement to the world community.

The Herbst Theater (site of the 1945 Charter Signing) and the Opera House have been reserved for a Commemorative Ceremony on Monday, June 26 from 10 a.m. to Noon. Following that event, we plan to hold a luncheon honoring U. N. Secretary General Boutros Boutros-Ghali. We are currently looking at sites for a major public event at which you could address a large international assembly. In addition, we would be honored to have you preside over a gala dinner that evening at the Moscone Convention Center Ballroom.

* We encourage you to consider San Francisco as a site for a Security Council Summit. To date, only one such gathering of Heads of State has been held. An expanded Security Council could meet in San Francisco with an appropriate signing ceremony taking place at Herbst Theater, forging a new era in global politics.

1995 is also the 25th Anniversary of Earth Day and as such will be a milestone for environmental organizations worldwide. San Francisco offers a unique site for an international environmental gathering, one that examines progress made in reaching the goals set out in Agenda 21 at the 1992 Earth Summit in Brazil. As you noted in your letter to Senator Barbara Boxer, the Presidio both geographically and symbolically is an appropriate site for a United Nations Conference.

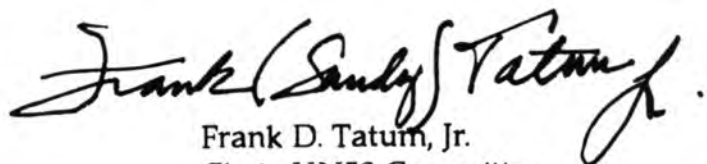
Although we understand that the Commission on Sustainable Development cannot be permanently located in the Presidio, it can be invited by the U. S. to hold its 1995 session in this park, perhaps culminating in the signing of an Earth Charter at the Herbst Theater. The Commission on Sustainable Development is already scheduled to meet for three weeks in June of 1995; the schedule for that meeting would not need to change, only the location. The San Francisco-based UN50 Committee would work with the U.N. and your administration to raise the additional funds required for a venue change.

The U. N. is looking to San Francisco for its leadership. In his letter accepting our invitation to serve as Honorary Chair, Secretary General Boutros-Ghali noted, "It is altogether appropriate that the June celebration in San Francisco should be a highlight of the Jubilee Year and it will indeed be the initial focus for the series of events which we hope will take place."

Thank you for considering this invitation. We would be delighted to work with your administration to determine the most effective way to proceed in our planning.

Sincerely,


Frank M. Jordan
Mayor


Frank D. Tatum, Jr.
Chair, UN50 Committee

FMJ/bm

cc: Ambassador Madeleine Albright
Under Secretary General Gillian Sorensen
Mr. Douglas Bennett
Senator Tim Wirth

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: BERNIE NUSSBAUM
BRUCE LINDSEY

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:

THE PRESIDENT HAS SEEN

8.30.93



Benin / BC

she worked hard
for us - this is a good
employee too - worked
for me 77-80 -
pls try to help



THE WHITE HOUSE
WASHINGTON

August 18, 1993

Donna A. Elliott
3448 Pershing Avenue
San Diego, California 92104

Dear Donna:

Thanks for your letter. It was good to hear from you and to get an update.

I appreciate your interest in serving in the United States Attorney's office in San Diego. I have taken the liberty of forwarding your letter to Bernard Nussbaum, Counsel to the President.

Thanks for your encouraging words and your continued support.

Sincerely,

Bill

I'm glad you're well
I'll try to help —



August 10, 1993

President Bill Clinton
The White House
1600 Pennsylvania Ave.
Washington, D. C. 10500-2000

Dear Bill:

In recent months I've realized how much I've missed the involvement with politics and the contribution I'd like to make to your administration.

Since I've opted not to make the move to Washington, I was hoping you might be able to help me, somehow, here in San Diego.

I recently contacted and sent Alan Birsin my Resume for a position in the U. S. Attorney's office. During a recent conversation with Alan, he told me his hands were tied at this time.

On a personal note, I'd like to say that there isn't a man in our midst who is endowed with the relentless courage, vision, ability, and profound faith in our country as you are and only men like you come forth to give us the leadership we need.

God Bless and take care of your health.

Sincerely,

Donna A. Elliott
3448 Pershing Ave.
San Diego, CA 92104
(619) 260-1147

P.S. A BIG CONGRATULATIONS ON THE BUDGET APPROVAL!



65-xtra copy
THE PRESIDENT HAS SEEN 8/30/93

The Road to Realignment:

The Democrats and the Perot Voters

A survey and analysis of Ross Perot's supporters

Stanley B. Greenberg
President, Greenberg Research Inc.

A strategy for expanding the Democratic coalition

Al From
President, Democratic Leadership Council
Will Marshall
President, Progressive Policy Institute

THE WHITE HOUSE
WASHINGTON

DATE: 8-31-93

NOTE FOR: CAROL RASCO

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: HRC
BOB RUBIN

President Clinton,

017 P5:55

Occasionally I come across an article or paper that seems to pull all of the key concepts together concerning community problems. This paper captures the complexity of urban problems, but also sets forth constructive ideas, particularly for people living in public housing. I thought you might want to read it.

Henry G. Cisneros

To CCR ^{ital} ~~that~~ V. Cisneros
cc: Bob Rubin B
culture

HOWARD UNIVERSITY
SCHOOL OF SOCIAL WORK

WILLIAM H. COSBY, JR. AND CAMILLE O. HANKS COSBY
LECTURE ON AFRICAN-AMERICAN FAMILIES

"OUR SOCIAL IMMUNE SYSTEM: BUILDING SUPPORTIVE ENVIRONMENTS FOR
AFRICAN-AMERICAN FAMILIES IN PUBLIC HOUSING"

by

JAMES G. BANKS
THE 1993 COSBY VISITING SCHOLAR

TUESDAY, APRIL 13, 1993 4:00 P.M.
ANDREW RANKIN CHAPEL

My thoughts today are not new. They confirm only what most of us have known for many years. A closely knit community plays a major role in the development of the behavior patterns of its members and thus protects the community and its members from invasive forces which promote and applaud destructive behavior. For many years, closely knit communities were standard for this nation. In recent decades a change has occurred. More emphasis is placed on the quality of our physical environment, less has been placed on our social environment. As a consequence, though we have dramatically improved housing conditions over those of a half century ago, our social problems have increased almost geometrically. Some years ago, community influences made many of us immune to the lure of destructive behavior because we found caring and security in the company of our families and neighbors.

Today, with improved housing and dramatic increases in material goods, many young people are insecure and despairing, because the comfort and security of family and community have been lost.

Those of us who enjoy strong human support relationships in any combination of family, friends, neighbors and associates seem to be able to resist patterns of behavior destructive to ourselves and/or to others. Since no human relationships are perfect, this is not to suggest that, even with these support relationships, behavior variations may not occur, but rather, to say that with strong supportive relationships most of us are likely to behave in ways most acceptable to those with whom we have caring relationships.

The social problems of this, the Nation's Capital, and indeed of most major American cities have raised among many of us a growing fear that the very foundations of our society have begun to disintegrate. We give the preponderance of our attention to poor education, family instability, teen births, unemployment, crime, drug addiction, alcoholism, frequent illness, and untimely death statistics reported daily from the areas of our cities where our poorest families live. There are few among us who have not recognized that, in some measure, these problems are reflected throughout our society.

We have all asked ourselves, "Why have these problems multiplied so rapidly?" If you lived through the great depression, you must have asked yourself, "Why in those years of abject poverty, did we not suffer the measure of unrest and disruption which characterizes our lives today?" Many would answer, "It's television; It's the drugs; It's the guns" or any one of the many phenomena which seem to be related.

My answer to you today is that we have permitted our communities to disintegrate, thus removing systems which provided for most of us an immunity to destructive behavior patterns.

"Immunity," a word usually associated with the medical profession is most often used to describe the body's resistance to harmful virus, bacteria, and other potentially destructive invaders.

Luc D. Sheffer wrote in his book Peak Immunity, "The immune system is an example of perfect democracy, in which each member

performs its task without being controlled by a central organ -- it provides a twenty four hour security system always on the alert for viruses, harmful bacteria, fungi, protozoa -- and even malignant cells."

Steven Be Mizel and Peter Jaret wrote another book on immunization called Self Defense. They included these words to describe a breakdown of the body's immune systems: "In certain rare cases the immune system turns on the body itself, ferociously attacking and destroying cells of the kidneys, brain or other organs and tissues."

In an expansion of his ideas included in his book On Leadership published by the Free Press in 1990, John W. Gardner, former Secretary of the U.S. Department of Health, Education and Welfare wrote:

"No society can remain vital or even survive without a reasonable base of shared values -- and such values are not established by edict from lofty levels of the society. They are generated chiefly in the family, school, church and other intimate settings in which people deal with one another face to face."

He goes on to say:

"Where community exists it confers upon its members identity, a sense of belonging, and a measure of security."

"A community has the power to motivate its members to exceptional performance. It can set standards of expectation for the individual and provide the climate in which great things happen."

The importance of community in human existence was recognized by scholars centuries ago. Aristotle included in his POLITICS this reference to the subject -- using the word -- "state" for community: "and he who is without state is either a bad man or above humanity; he is like the 'Tribeless, lawless, hearthless one.'"

More recently, urban sociologists have described community as a population rooted in one place whose members are interdependent on a daily basis and perform many activities that satisfy the population's economic and social needs.

Charles Horton Cooley, the American sociologist, in his book entitled Social Organization included this statement: "Human nature is not something existing separately in the individual but a group nature, a relatively simple and general condition of the social mind....It is the nature which is developed and expressed in those simple face to face groups that are somewhat alike in all societies, groups of the family, the play ground, and the neighborhood. Man does not have it at birth; he cannot acquire it except through fellowship, and it decays in isolation." Cooley asks "What kind of degree of association is required to develop it" (meaning human nature) and answers his own question as follows: "Evidently nothing elaborate, because elaborate phases of society are transient and diverse, while human nature is comparatively stable and universal. In short, the family and neighborhood life is essential to its (human nature's) genesis and nothing more is."

As one who has been intimately involved in many public efforts to alleviate the despairing conditions of urban residents for five decades, I am convinced that more of our urban poor than ever before live without a sense of belonging, in a state of alienation and loneliness and feel a deep sense of hopelessness, despair and anger.

I am also convinced that this widely felt alienation and constant uncertainty, not only about the future but the present as well, is a primary characteristic of our urban poor. This is due in large measure to our failure to recognize the universal importance of community as a central force in conferring upon urban residents a sense of identity, a sense of belonging and a measure of security. Without a sense of community, impoverished urban residents are unmotivated, fearful and suspicious. More importantly, their defenses against attractions leading to self destruction are less effective.

William Julius Wilson, in his book The Truly Disadvantaged says despite a high rate of poverty in ghetto neighborhoods throughout the first half of the twentieth century, rates of inner city joblessness, teenage pregnancies, out-of-wedlock births, female-headed families, welfare dependency and serious crime were significantly lower than in later years. In fact they did not reach catastrophic proportions until the mid 1970's.

There was crime, but not to the extent that people were afraid to walk the streets. There were single-parent families, but they constituted only a small proportion of black families and tended to be included in larger extended family living

arrangements. There were welfare recipients, but they were only a small proportion of urban black families. Prior to 1960, inner city black communities generally exhibited a sense of community, a sense of belonging and strong but informal agreements against destructive behavior patterns.

I believe that we, the public, have unwittingly arranged for large numbers of impoverished black families to live in configurations which discourage the formation of strong and resilient communities, thus foreordaining the disintegration of poor families and the communities in which they live.

I believe, further, that, as we waged our War on Poverty, we inundated the families living in, what I call "islands of dependency" with public and privately sponsored "help" programs which have tended to be unplanned, uncoordinated and confusing to the recipients, thus adding to their sense of despair.

I believe that few, if any, public or privately sponsored help programs recognize that the most valuable forces available to alleviate the conditions of the impoverished are the energies, creativity and leadership potential available from the residents of neighborhoods where they have been clustered.

I believe that a vital community can motivate its members to exceptional performance both in their individual and collective interests.

I believe a vital community can provide security for its members through a sense of identity and a structure of informal yet fully recognized assumptions and values which establishes it as a network of caring neighbors.

I believe that without the security of a vital community a significant number of residents are more susceptible to attractions which provide immediate but dangerous gratification experiences which often result in tragic consequences not only for the resident directly but also for family members and neighbors.

I believe that, even in the most distressed, large clusters of the urban poor, there are treasures of goodwill, of leadership potential, of energy and creativity, which can, with encouragement and support from stronger communities, lead in the development of shared values which will strengthen families and establish social interdependency where all give and all receive. Most importantly, a vital community confers on its members an improved sense of self worth which is implicit in his or her recognition as a community member.

I also believe that as the new and healthy communities take form, behavior patterns of their members become more and more responsible and committed to the security and well being of all.

I also know that where community does not exist in areas where the urban poor are clustered, it is possible to help residents see the advantages of "community" and to help them take the steps necessary to lay the groundwork for the building of a healthy community.

I believe that as the steps toward community building proceed, the momentum toward positive change accelerates as more and more residents see the value of community and join the efforts towards its formation.

All of us are dependent on others. If those others are easily accessible and share a common environment our dependency is comfortable. If those upon whom we are dependent do not stifle our growth, we feel secure. If our dependency is on forces beyond our easy access and those forces do not share the intimacy of our day to day environment, and if our dependency impedes our growth and does not help us move toward a brighter future, it serves as a destructive force. Insecurity and uncertainty characterize the daily lives of our alienated urban poor.

Anacostia, the place I called home for the first forty years of my life seemed to meet all of these criteria. There was daily interaction between residents either to discuss and perform cooperative projects on their homes or properties, to attend religious services, to discuss children and their growth, to shop at the largest grocery store owned and operated by a black. Neighbors filled prescriptions at the pharmacy, owned and operated by a black, visited the office of the black doctor or dentist and patronized other merchants in the area who sold coal, wood and ice, or the handymen in the area, including carpenters, bricklayers and painters. Residents called upon neighborhood professionals and trades people to meet their needs in the community.

There was a constant interaction essential to the needs of the community. Over the years a trust level had been developed which helped make daily pursuits pleasant and without stress.

The lowest crime rate in the city was a condition the community enjoyed for many years because the interdependent

population had informally agreed on patterns of behavior which respected each member's privacy and informally but effectively required a standard of behavior comfortable to all. There were, of course, violations and a few recalcitrants, but never to the point that the basic tranquility and trust of the population for each other was threatened.

Though some residents endured great hardships including unemployment and family disagreements, few ventured into behavior patterns known to be unacceptable to the community. All residents knew that their survival was assured because neighbors had established consistent patterns of helping each other when needed. The churches and schools were centers of constant reaffirmation of the symbols of belonging. The community acted as an immune system protecting the population from attractions to destructive behavior patterns. Civic organization, lodges, and church groups constantly met to rededicate and when needed, change community systems important in the preservation of the peaceful cooperation of neighbors.

Slowly, things changed in the place where I was raised.

The forces at work in our country during the last three decades modified, and in some instances caused, the disintegration of many urban communities. We have celebrated our mobility, often bragging that the average American moves every five years, evidence of the growth of the economy. Many of those who moved have had family and friendship ties strong enough to endure the separation by many miles from the communities where the bonds were formed. Some sought the release from the

"immunity of community" and welcomed the anonymity of urban living where community bonds were often not well defined. Nonetheless, they could, by telephone, letters and visits retain some of the security of home and that was often enough to keep them on the straight and narrow paths they had been taught to follow.

Impoverished families, even with the advantages of strong but distant family ties struggled more desperately than most of us to maintain those relationships because they often lacked a telephone, a car and the facility for written communication. Unless they could establish in their new living areas bonds between their neighbors and themselves they tended to be lonely and isolated. So, over time, ties broke and "Community" became something longed for but no longer in reach.

And today, the lack of community is a fact of life for many of the impoverished families living clustered in large numbers in urban neighborhoods and housing projects throughout our country. The co-existence of large clusters of impoverished and troubled families and the tragic problems of violent deaths, high crime rates, and health problems is undeniable and certainly not a coincidence.

Though we often give lip service to the need for a suitable living environment, we have seldom defined that environment in social objectives. Our physical definitions of a living environment -- decent, safe, and sanitary housing -- seemed to presume that the physical environment would assure a suitable social environment.

Sometimes they did. Certainly the new towns like Greenbelt, Maryland and Reston, Virginia, and Fort Lincoln in D.C. have proven to be reasonable environments, both physically and socially. Most often in large cities, the provision of housing for poor families was planned to meet shelter needs only, with either no understanding of the special social needs of the families or no interest.

During the last four decades many forces emerged which eventually produced large residential communities where the least advantaged among us were concentrated and where visions of opportunity were made indistinct and where the development of vital communities was not an objective.

Consider with me the public and private forces which joined, even unwittingly, to produce tragic changes in the living environment in the Far Southeast section of this, the Nation's Capital.

As World War Two came to a close in 1945, Far Southeast Washington, though a low-income, working class community, boasted one of the lowest crime rates in the City, had a slightly higher percentage of owner occupants than renters, was served by neighborhood churches, civic organizations, and effectively run public schools. The proportion of families who required government assistance was comparatively small and neighborhood help for those in need was traditional.

The housing shortage which followed World War Two, occasioned the enactment of new programs to accelerate the

construction of more housing and increased appropriations to expedite those programs previously authorized.

Since the area included more vacant and sparsely developed sites than any other area of the City, and because it had been traditionally perceived as an area where housing for black residents should be expanded, it became a prime target for the development of moderate and low cost housing. Zoning designations for most of the vacant and sparsely developed parcels were changed to R5A which permitted the construction of garden type housing only. (This zoning change caused the community to be what it became, a community of renters.)

Land zoned for the development of apartments is and was, in this instance, more valuable than land designated for single-family housing. Therefore, developers, selected to build under the new government programs, increased their land holdings by offering irresistible prices to owners of single family dwellings, thus reducing the number of home owners and increasing plans for rental housing.

The public housing program which already had a significant presence in the community took advantage of the community's comparatively low land costs and therefore built more public housing.

The presence of public housing in the community was not, in itself, a formidable change. However, the changes in public housing policy and procedures which occurred during the same decades brought an environmental change which has been a major factor in the creation of "islands of dependency."

When it began in the late 1930's, public housing was intended to provide an opportunity for low income families to garner their strengths and talents to prepare for independent living. In the process of applying for public housing, the objective of preparing for independent living was emphasized again and again.

That process and that emphasis alone communicated to applicants, the recognition that they had the potential for growth and were members of a community which cared about their achieving their maximum potentials.

Since rents paid by the residents of public housing were, at that time, the only source of funds to meet operating expenses, eligible families were selected according to the rent they would pay. The operating budget for a given project might have required that one-fourth of the families pay the maximum rent, another fourth, three-fourths of the maximum, another fourth, one-half of the maximum, and the remaining fourth, the minimum rent. This procedure not only assured sufficient rent to meet the operating expenses, but also assured that the residents represented a cross section of low income families. A significant number of employed family heads were always included.

During the 1950's and 1960's, public housing was increasingly used to house families displaced by government programs. Since in the beginning, public housing accepted only parents who were married, many couples who might otherwise remain unmarried, did so. But, in the 1960's, that public housing policy was subjected to repeated legal challenges. As a

consequence of court rulings, single women with babies, some as young as eighteen years of age, were deemed eligible for public housing and were accepted in significant numbers.

Also in the 1960's, the decades-old policy of federal government subsidy of land and building costs and the exclusive use of tenant rents to meet all management and operating costs was changed. This was a consequence of the admission to public housing of hundreds of publicly displaced families and an increased number of families with uniformly low incomes. Today, as many as fifty percent of local public housing tenants receive public assistance and the percentage of single parent families often exceeds ninety percent.

I cite these statistics not to imply that there is a unique handicap among public assistance or single parent families, but rather to emphasize that the clustering and isolation of the most dependent families in our society has been a major factor in the creation of areas of denied opportunity.

The reasons that the areas of denied opportunity have discouraged the formation of vital communities are as follows:

Impoverished public assistance clients and single parent families are typically served by six or more service-giving organizations, including government agencies. The personnel of the service organizations often become de facto leaders of the communities they serve, controlling the resources for survival for hundreds of families and required to exact qualifying responses from families on a regular basis.

Moreover, service providers, even those working with the same family, seldom coordinate their services. Often clients receive conflicting advice from service givers. More importantly, as the number of clients are clustered in larger numbers, service requirements of the neighborhood become more intense and strains in relationships between service givers and clients become more frequent.

As the incidence of strain becomes more frequent between client and service givers, it also becomes more frequent among family members. Public aid is, at best, minimal and, when that is in jeopardy, insecurity is more intense leading to fear and anger. Since neighbors have little in the way of material help to give each other, the fear and anger most often are expressed against those most accessible -- family members and neighbors.

When the insecurity and anger in one family is repeated among many, the consequence is an ever widening circle of suspicion and fear.

The youth living in the Far Southeast and other areas of denied opportunity, full of the zest of that age and searching for new life experiences, reflect the tragedy of disorganized and frustrated families and neighbors. They are prime prospects as recruits to the ranks of drug peddlers and gun toters. They are attracted to the prospects of immediate gratification to blot out the pain of home. Despairing young mothers often see drugs as an escape from the chronic insecurity of their lives and eventually their young children reap the neglect and violence of a

disorganized, unfriendly environment from which there seems to be no escape.

Violence and drugs attract law enforcement agents and they too cannot keep up with the calls for help. The relationship between residents and the police become strained. Neighbors, in the absence of close relations with each other, call the police with problems unrelated to law enforcement and the strain between police and residents becomes even more tense and are stressful.

Recreation centers with ball fields, swimming pools, basketball courts, and a host of other attractions, stand unused. Children, unwelcome inside of their own apartments, and fearing the playgrounds, congregate in the hallways and public areas of their apartments, making life miserable for neighbors and housing managers.

Schools receive their sullen students fresh from home with no breakfast or clean clothes, and angry with the world as the day begins. Teachers find themselves trying to maintain order with little time for instruction and with little support from the parents, reflecting the neighborhood's mood of despair. Teachers become discouraged, and sometimes question the value of their profession.

Add to these problems the hastily eaten junk foods which threaten the health, even of the unborn, and the unavailability of health care insurance for many families, and the picture is even more dismal.

Many churches in the Anacostia neighborhood have generally retained their long-time members who, by now, have moved to other

neighborhoods. Many members have left Far Southeast for Prince George's County, but they return to church each Sunday. Some of the churches are not of the community.

Some churches made efforts to help with community problems, but with the majority of their parishioners living elsewhere, these efforts have not made a significant impact on the problems of a disintegrated community.

Families, private and government service givers, churches, schools, police and other neighborhood groups have themselves suffered a kind of inertia and ineffectiveness as the problems of the neighborhood have escalated and seem more and more intractable.

So you may ask, "What then?" If all of these people, institutions and services have been unable to halt the disintegration of this community, what is to be done?

The members of a good community deal with one another humanely, respect individual differences and value the integrity of each person. A good community fosters an atmosphere of cooperation and connectedness.

Several years ago I joined other leaders in the Anacostia community to discuss means by which we could assist families at risk of becoming homeless to avoid that consequence. After nearly a year of regular meetings we decided to form a partnership of community leaders, government officials, and service providers (the formation of a partnership had been recommended to the Community Partnership as a means of coordinating the disparate resources and groups seeking to

assuage the growing homelessness problem.) We believed that if we could identify families at risk of homelessness, we could, through case-management, help the families avoid homelessness.

After several months of intense work with individual families, it was clear that the problems the families faced were much more pervasive than case-management alone could modify. Foremost among the problems was physical fear. The high incidence of violence left many families unwilling to pursue their normal life patterns. Mothers who, under normal conditions, might have taken their children to the nearest playground, kept them indoors. Youngsters who, ordinarily, might have gone to the recreation areas with friends, stayed at home or hung around the developments where they lived. Families who previously had enjoyed the cool breezes in the warm evenings of summer on their balconies or front porches, stayed inside. Thus the community was not only isolated from the rest of the city, but its members become increasingly isolated from each other. The longer the isolation continued, the more intense the suspicion and the more volatile the encounters.

As a consequence, recreation centers, even in the most weather-perfect days, attracted few participants. Ball diamonds stood in disuse on sunny afternoons. Swimming pools, even in the 95 degree August heat, had no swimmers.

Mothers were more distraught with restless children with nothing to do. The housing managers were at their wits end to cope with the increased vandalism and the general state of

uneasiness and apprehension which hung like a cloud over the community.

The police were over worked. Government employees offering help to the impoverished felt the strain of their clients and they, too, became strained in their responses to their clients.

Into the empty public spaces devoid of their former pedestrians and children at play, came the bold young men who soon came to "own" the turf. As residents hid behind their doors in fear and trembling, some of the young men became involved in drug sales and use. Soon there were guns, often used to send random shots into the air announcing their indomitable presence.

Service providers, public and private, fearing the dangerous environment, drastically reduced their home visits, requiring clients to visit offices or to call for consultations. Because the number of clients was large, and ever-increasing office visits required clients to wait for extended periods, tempers were short on both sides of the counter.

Clients who called the offices of service providers began to get a mechanical voice offering confusing instructions. Many clients hung up in disgust. Many who were required to make contacts with their "workers" were temporarily cut off because they had failed to establish their continued eligibility.

Families who lost their incomes, if only for a month, could not pay their rent. Mothers who had previously begged their sons to get out of drug sales, facing eviction, began reluctantly to accept money to keep "the house." Feeling some acceptance, young

men became more emboldened and the problems began to multiply almost geometrically.

Urban observers have attempted to explain the incessant problems of impoverished communities not in terms of causes but in terms of manifestation. Some describe the problems in terms of cultural traits, taking comfort in the confirmation that they knew they had been right about "those people". Others describe the problems in the terminology of their special interest or profession. "It's all due to poor education" or "It's all due to lower values", or "It's due to immorality" or even "It's due to certain genetic physical and/or mental predilections."

Our efforts to address the problems have largely mirrored our professional resources and moral persuasions.

Some of us feel sorry for the poor, some of us get mad at the laggards, and some of us say, this is a burden God has given us to bear and that we must endure.

I have purposefully described the problems of far southeast in the most negative terms because I wanted to introduce this subject to you in the context which is familiar to you. I wanted you to get the picture as it is portrayed by the media to give emphasis to the depth of the problems so that you can feel the hopelessness implicit in these descriptions. But these descriptions I have shared are only a part of the story.

I have had an experience over the past three years which leads me to conclude that it is possible to help poor and troubled people to bond together in effective communities and that the strength of that newly formed community can mean a

dramatic increase in the number of successful efforts to remedy problems some of us have considered unsolvable.

I am encouraged to have found that community building is not an expensive process.

The key to community building is the recognition that, though often unexpressed, most residents, even of the most beleaguered communities, have some interest in community improvement and will volunteer to make it happen. Mobilizing that interest into action-motivated grouping and networking requires leadership vision and patience. Potential leaders may be found in all communities.

A community building process begins slowly. First, a trust relationship is developed between residents of the community and the group or individual who wants to help. That relationship usually grows out of a willingness on the part of the helper to listen to the concerns of the residents usually in a very informal, often one-on-one settings. The helper can provide options for mobilizing a small group to discuss the issues, perhaps arrange for a place to meet. It usually helps to provide a little food and drink to establish a cordial atmosphere.

Since it opened its doors in March 1990, the Anacostia/Congress Heights Partnership has participated in the formation or promulgation of nearly one hundred groups intended to bring neighbors together doing for and with each other. They include programs for children, adolescents, both males and females, the unemployed, and those in need of health care.

The community building program which the Anacostia/Congress Heights Partnership initiated nearly two years ago was based on the assumption that residents really wanted to communicate with each other, but were not confident they would be well received. Thus, in the early stages of the community building program, small groups of residents met to discuss issues where disagreement was nearly impossible, such as the improved care of neighborhood children. Indeed, the first tangible manifestations of the emergence of community, were the children's centers, first at the Sheridan Terrace Public Housing Development, then at the adjacent Macedonia Church, then to Bethlehem Baptist Church, then the Woodland Terrace Public Housing Development, and another now planned to be reestablished at Congress Park Housing Development.

Out of these expressions of community interest and commitment have emerged a new and comprehensive range of community effort, each bringing residents together to share concerns and aspirations and each resulting in a plan for action with more and more community members sharing responsibility for implementing those plans.

The children's centers at the four locations mentioned are run by volunteers. Typically, they provide a light meal for children, help with homework, and some indoor recreation. Some have organized children for library visits to encourage reading and the use of libraries. Others arrange trips to points of interest in the city or cultural activities not hitherto available to the children. The attendance is always good. In

many instances, disinterested mothers have become interested and some have joined the effort as volunteers.

The Southeast Ministry which began more than two years ago as an effort to restore recreation to its former role as a means of helping to mold both the bodies and characters of young people is well on the way to achieving that objective and more. Regular competition in softball, touch football and basketball has been available for the last two years. Participating youth must demonstrate not only a willingness but also an effort to stay in school. The special problems of teenage mothers and mothers-to-be will soon be addressed by another program of the Southeast Ministry. The Southeast Ministry has in a very short period of time become an independent operation, raising its own funds and pursuing its special mission. More than one thousand children in the area are served by this program.

Adult organizations began more slowly. Early on, the D.C. Mental Health Commission provided guidance for groups of young women experiencing serious emotional and familial problems. Outlets for some of the pent-up anger emerged. In several instances, exercise sessions were arranged at the request of adults. Several efforts at dietary cooking were added to the exercise sessions. Men as well as women were participants.

Neighborhood gardens sponsored by the D.C. Recreation Department became popular both for young and old residents of the area. Garden plots were organized so that elderly residents and young mothers could begin communication.

Leadership training provided by a former member of the Peace Corps was established. It has become one of the most effective and well received programs in the area.

Mediation training provided by the representatives from the U.S. Department of Justice has been repeated several times at the request of residents.

Children attended the Easter Egg Roll at the White House for the first time in 1990 and have continued each year since. They also have attended games at the Capital Center. They had their own "Back to School Bash" sponsored by the School Board Member from Ward 8 and participated in the Anacostia Olympics.

In a word, more people are doing "something" and doing something in concert with others. The introduction of conflict resolution sessions, sensitivity training sessions, and indeed all meetings under the banner of the Partnership, offer residents, including children, an opportunity to deal with one another humanely, respecting individual differences and increasing the trust levels that residents have for each other.

Growing numbers of residents are now participating in one or more community activities. The social environment to participate is now very inviting. Community building activities offer residents for the first time in many years, the opportunity to generate agreement on values and standards which are vital to them and the stability of their community and its residents.

The increased use of playgrounds and public spaces, the return of smiles to the faces of children, the return of chit chat among neighbors are all signs that a new community is being

formed and that people have begun to feel more safe with each other.

Interestingly, as this process has advanced, one force above all others has been the primary source of energy: VOLUNTEERS.
Volunteers by the hundreds, both from within and outside the community have been chiefly responsible for the rapid changes.

Among community volunteers are athletic coaches, child care center workers, sewing class teachers, tutors, and the list goes on. The number of volunteers from the community must be ten times today what it was in 1990.

Volunteers from outside of the Anacostia community come from the suburbs and other parts of the City. They help plant trees, paint dwellings and community facilities, train young mothers as parents, and solicit materials and equipment for use in the community.

Moreover, we have been successful in attracting for their practicums, students from the Howard University School of Social Work, students from George Washington University, graduate Department of Public Administration, students from the Johns Hopkins School of International Affairs. One outstanding intern completed her undergraduate work at Harvard last spring and has been with the Partnership for nearly a year.

Even more importantly, some of our volunteers have been able to make connections with sources of funds, both foundations and corporations. Residents of the neighborhood are gradually strengthening these connections around the city so that they can, without help, make their own arrangements as time goes on.

Aside from the involvement of interns and students, the Partnership has developed a strong working relationship with Georgetown University. Its medical school provides a pediatric van which visits the area five days each week. Through the University's community affairs office program funding has been received.

George Washington University provides training in city and regional planning for students at Kramer Junior High School and a consultant to the Partnership.

The Greater Southeast Hospital offers a special health program for students at Ballou High School.

How then must we proceed to build communities where none exist? How can we help communities to bring a positive influence on the behavior patterns of residents whose lives have been so tragically disrupted by alienation and the despair of hopelessness?

Based on my experience and observations, I offer the following recommendations:

First, we must come to realize that there is no force, including government, which can bring relief to our chronic urban poor without the recruitment of the energies, creativity, and good will of the people they seek to help. Those being helped must find in the provider of assistance a strong affirmation that they who need help are normal and worthwhile. We must eliminate those policies and procedures which imply, directly or indirectly, that those we seek to help are either ignorant,

inept, unhealthy, unimportant, of no value, or, at worst, that they do not exist.

Second, we must develop strategies to help, not direct, residents in affected neighborhoods to take steps toward joining one another in developing plans to overcome the forces which have entrapped them in the bonds of dependency.

Third. All programs, policies and procedures affecting the lives of those living in areas of denied opportunity must have as their basis, an articulated commitment to the promotion of growth and attainment of highest potential of the residents served. Old thinking must be discarded. The individual and his or her neighborhood must no longer be viewed in terms of basic survival and maintaining a state of dependency. Barriers to growth and development -- at both the individual and community levels -- must be identified and removed. This will require intensive one-to-one relationships between the individual, the family and the helper at the outset. At the same time, it is critical that efforts be made to bring the community and its institutions together to support the strides toward independence taken by individuals and families.

Fourth. Service-based responses that help the individual and/or the family shed its dependence must be comprehensive and holistic, free from categorical restrictions. Flexibility, not rigidity, must be a hallmark of program design. Public policy and programs must encourage community-based initiatives and enterprises that move the community forward in its path toward greater self-sufficiency. Initiatives in neighborhood-based and

housing project-based settings must be pursued. These might include therapeutic child care cooperatives, food cooperatives, neighborhood service enterprises, e.g. plumbing, electricity, carpentry...and the list goes on.

Fifth. Intake must be decentralized. Neighborhood resource centers through which public and private agencies, neighborhood institutions and individuals coordinate their resources have the advantage of familiarity with families and their needs and the ability to access existing community resources and structures, both formal and informal. Neighbors and neighborhoods are far more accepting of their own.

Sixth. Home-Based case management that involves intensive one-to-one work with the individual and family must occur in tandem with efforts to rebuild community-wide relationships and institutions. Recipient families and individuals must be linked with community institutions and leaders to begin the creation of support systems. The continued improvement of individuals and families helped by case management requires the development of neighborhood support systems.

Seventh. We must release the energies and talents of male residents. Males play a paradoxical role in the lives of clustered, poor neighborhoods. While their presence often "dominates" the streets and their homes, the programs and policies that support their families make them virtually unimportant in the day-to-day life of the community. The "no-role" status generates anger and despondency. Years of broken promises have left many so suspicious as to seem unapproachable.

Males must be consciously included in all of the above recommendations.

Immediate efforts to generate opportunities for employment in the neighborhood is a significant first step. For example, a recent survey showed that housing in the District's Anacostia Historic District is deteriorating steadily. Fifty-two percent of the properties need improvement. Neighborhood residents could be trained in the building trades (including the development of specialized skills related to the rehabilitation of historic structures) and enlisted in an effort to reclaim these properties. The District Government's "Clean It or Lien It" Program now uses D.C. employees and trucks to clean vacant, privately owned lots. Organized residents could contract with owners to perform that work more regularly. Everybody would benefit from such a simple change in policy.

Eighth. The de-concentration of poor families is of highest priority. The negative forces created by disproportionate numbers of families with multiple and severe social, physical, economic problems living clustered in large numbers overwhelm any private and/or public program aimed at positive change. De-concentration must, of necessity, be a long-term objective. Acting in haste without a well-conceived and inclusive plan may well cause more trauma and hardship than families now endure.

The Chicago Housing Authority, under the leadership of its former chairman, Vincent Lane, has begun a program to remodel some of its public housing, to accept higher income families in some of the units, and to sell land available around public

housing developments to private developers. The private developers are then required to build market-rate housing retaining 25% of the units for public-housing-eligible tenants. The Housing Authority, under contract with the private developers, provides the same subsidies for the lower-income tenants as provided in traditional public housing developments. The federal Department of Housing and Urban Development has concurred in the plan. In the District of Columbia, the vacant 134-unit Ellen Wilson Dwellings on 7th Street, S.E., offers an opportunity to begin de-clustering poor families through the creation of an integrated socio-economic residential community.

Ninth. We must embrace and set in motion a National urban policy that fosters human growth and development. Problems that plague inner-city neighborhoods and conditions that hinder human growth and development must be confronted and addressed with the same vigor and purpose that this country applies in meeting its challenges abroad. Barriers to the development of full potential must be overcome. These include poverty, unemployment, ineffective drug and alcohol abuse prevention and treatment programs, low educational achievement, unsafe neighborhoods and homes, deficient health care -- and the list goes on. Removing these obstacles must be placed high on the national agenda.

Tenth. Finally: a healthy community, as part of a major urban center, must develop and nurture working relationships with all major area-wide resources required for the community's stability and growth. No urban community is an island. Its social, economic and cultural vitality is closely related to that

of the city and region. During the community building process, it is imperative that community members initiate city- and region-wide relationships and develop plans to sustain them.

In a recent conversation, a deeply committed social worker who has spent the past several years working with families in one of the most troubled public housing communities in the District, shared that despite their hostile living environments, there is not a single family with whom he has worked that does not also have a dream. He called them "middle-class dreams" -- of a stable job, a good home for the kids, food and shelter.

Those dreams -- human dreams -- are not impossible and can be achieved through steady, incremental successes. They will never be achieved through sustained dependency and a "support" system that is punitive to those who achieve some success. The great challenge is to recognize the need for fundamental change in general public welfare policy and service delivery and to move with excitement and purpose toward its achievement.

Some time ago, the New York Times ran a three-part series entitled, "The Missing Agenda: Poverty and Policy." The lead in the last of the three articles proclaimed:

Wanted: An American Anti-Poverty Policy. Strategy must offer reasonable prospect for ending cycles of dependency and despair that disfigure urban America. Long Hours and serious commitment needed. Costs may be high. Costs of doing nothing may be higher.

And, it might be added...wanted: a strategy that looks at people and their neighborhoods in a way that identifies their

strengths, values their potentials, recognizes their capabilities for growth, independence, and renewal, and rewards success.

A viable community must include regular opportunities for residents to meet in unified interests, general agreement on values and accepted patterns of behavior, a regular means of recognizing those neighbors who make outstanding achievement, significant participation in the economy of the community through entrepreneurial participation and strong bonds between residents and neighborhood institutions.

The step-by-step process requires vision, commitment and persistence. Though some failures are inevitable, the vision and commitment must be strong enough to suffer some losses without retreat.

In the city which has suffered continued microscopic examination by the media and observers around the country, and indeed the world, we now should be convinced that what we have done and are doing is not enough. I hope we can come to know with certainty that there are unlimited and untapped resources close at hand which can be mobilized to make the difference. Then one day, government, business, private service providers and community leaders -- and each of us -- will achieve a new urban condition which demands responses to a new set of challenges -- welcome challenges. Primary among them will be:

What will we do with all of these unoccupied cells of detention?

How will we provide extra class rooms to meet the needs of students who have remained in school?

Let us plan to face those new challenges by the first year of the 21st century.

The steps toward the creation of a new day are not impossible. I can only promise that, if in sincerity and with perseverance, the first steps are taken, the strength and good will of our citizens, heretofore discounted, will make successive steps less and less difficult and the participation more and more joyous.

It is important to remember that effective community building is not a political process and is bound to fail if it becomes so. Indeed, no special or symbolic interest or objective can be substituted for community building. Community building must embrace the interests of all residents and the challenges they constantly face.

And finally, know that a viable community will produce and nurture citizens who are self-sufficient, responsible, and whose creative and productive talents can enhance the quality of life for all of us.

Let us then begin to build.

Bonus
 by
 piece
 BL

THE PRESIDENT HAS SEEN
 8/31

SATELLITE

THE NATION'S NEWSPAPER



Money

DAY, AUGUST 27, 1993



Eddie Bauer is introducing . . .
 cologne for men this fall in its catalogs and stores. The line also includes shower and shaving products. Prices will range from \$10 to \$30.

A new device by Zenith . . . allows personal computers to be linked with computer networks through two-way television cable systems. The device, called HomeWorks, will allow access to Internet, a computer network that ties tens of thousands of computer users worldwide, and local-area computer networks.

MONEYLINE

READ ON THE TOP MONEY NEWS OF THE DAY

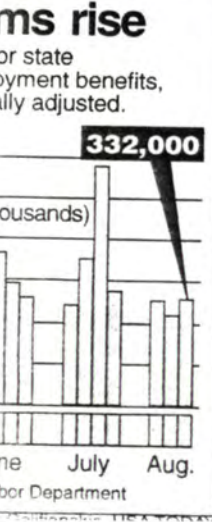
MONEY HOT LINE: 1-900-555-5555
 for Frequent Flyer Hot Line and travel weather. Press 2 for quotes, CD rates and used-car prices.
 Cost: 95¢ per minute.

OR BY MAJOR CREDIT CARD: 1-800-USA-TODAY

SLIPS: The Dow Jones industrial average fell Thursday to 3648.18. The NASDAQ composite fell 2.27 points to 731.39. The yield on 30-year bonds fell to 6.08% from 6.16%. The discount rate on 3-month Treasury bills rose from 2.98% to 3%. Gold fell \$4.50 to \$368.00 an ounce. Light sweet oil rose 4 cents to \$18.36 a barrel on the N.Y. Merc. In day, the Nikkei average rose 150 points to 20,742 in closing. (Market Scoreboard, 3B.)

LESS CLAIMS RISE: The number of unemployment claims for unemployment benefits rose 8,000 to 332,000 from 324,000 two weeks ago. The rise was the first since the week ended July 24. Despite the rise, the four-week average dropped 15,750 to 331,500 for the period ended Aug. 21, the lowest since the average stood at 327,250 for the period ended Sept. 30, 1989.

TOY DEAL: Hasbro, the world's largest toy company, says it plans to pay \$25 million for a 15% stake in Virgin Interactive Entertainment, the video and software unit of Virgin Group's Virgin Communications. Hasbro says the two companies will set up a joint software development and marketing operation and work together on product development, marketing and distribution.



HISTORY OF THE NATION'S DEBT, 4B

Battling the budget



UPI

JOHN F. KENNEDY
 Federal budget tops \$100 billion for the first time in 1962.
 This year's federal budget: \$1.5 trillion.

HARRY TRUMAN
 In 1947, gross domestic product, the country's output of goods and services, is \$223 billion — less than one year's federal budget deficit today.
 Projected 1993 deficit: \$285 billion.



By Wayne Miller, Magnum Photos Inc.



By Robert Deutsch, USA TODAY

RICHARD NIXON
 Last federal budget surplus, \$3.2 billion, is recorded in 1969. GDP tops \$1 trillion for the first time in 1971.
 This year's GDP will top \$6 trillion.

RONALD REAGAN
 National debt tops \$1 trillion for the first time in 1982.
 Debt doubles by 1986 to \$2.12 trillion. This year's debt: \$4.3 trillion.



By Robert Hanashiro, USA TODAY

Source: USA TODAY research

By Marty Baumann, USA TODAY

SPECIAL REPORT: THE NATION'S DEBT

A close look at federal spending

By Mark Memmott
USA TODAY

In the time it takes to read this paragraph, the federal government will spend about \$45,000 paying interest on the national debt.

Every second, the government pays \$9,350 in interest — the cost of a new subcompact car each time a clock ticks.

As the charts on this page make clear, the federal government's books haven't always been so far out of balance. For nearly 25 years after World War II, deficits were relatively small or there were slight surpluses. Interest was barely noticeable.

► Battling the budget, 1B

President Clinton says the government can return to those postwar days. But the government is a long way from his goal. A look through the tables shows, for example, that interest, which is a cost that can't be cut significantly until the government runs some surpluses and reduces the national debt, is chewing up more of the budget and a bigger piece of the economy:

► Interest as a percentage of gross

domestic product stayed below 3% through 1980 — during Jimmy Carter's presidency. Since then, it has never been below 3% and has twice crossed 5% — in 1991 and 1992. It's projected to drop below 5% this fiscal year, which ends Sept. 30.

► Interest expense as a percentage of the budget was a remarkably consistent 9% or so from 1952 through 1972. It then was 10% or a little higher the rest of the decade. Interest reached 15% of the budget in 1982 and kept rising until it hit 20% in 1988. It has stayed around 20% since.

► The government's interest tab has grown slowly the past three

years, even though the national debt has soared, because interest rates have fallen. The government is projected to spend only \$9 billion more on interest in fiscal 1993 than in fiscal 1991, even though the debt has grown nearly \$700 billion.

► The last federal budget surplus was in 1969, when the government was cutting spending on the Vietnam War. There haven't been back-to-back surpluses since President Eisenhower was in office.

► The last time the government reduced spending from one year to the next was in 1965.

► Two consecutive spending reductions haven't been achieved since 1954-55.

Tracking the nation's debt

Fiscal year	Gross domestic product	Federal budget	Deficit or surplus (billions)	Deficit or surplus as pct. of GDP	National debt	Interest paid on natl. debt (billions)	Interest as pct. of GDP
1947	\$223 billion	\$35 billion	+\$4.0	1.8%	\$257 billion	\$5.0	2.2%
1948	\$247	\$30	+\$11.8	4.8%	\$252	\$5.2	2.1%
1949	\$263	\$39	+\$0.6	0.2%	\$253	\$5.3	2.0%
1950	\$266	\$43	-\$3.1	1.2%	\$257	\$5.7	2.1%
1951	\$314	\$46	+\$6.1	1.9%	\$255	\$5.6	1.8%
1952	\$341	\$68	-\$1.5	0.4%	\$259	\$5.9	1.7%
1953	\$364	\$76	-\$6.5	1.8%	\$266	\$6.5	1.8%
1954	\$368	\$71	-\$1.2	0.3%	\$271	\$6.4	1.7%
1955	\$385	\$68	-\$3.0	0.8%	\$274	\$6.4	1.7%
1956	\$416	\$71	+\$3.9	0.9%	\$273	\$6.8	1.6%
1957	\$438	\$77	+\$3.4	0.8%	\$272	\$7.2	1.6%
1958	\$448	\$82	-\$2.8	0.6%	\$280	\$7.6	1.7%
1959	\$480	\$92	-\$12.8	2.7%	\$288	\$7.6	1.6%
1960	\$505	\$92	+\$0.3	0.1%	\$291	\$9.2	1.8%
1961	\$517	\$98	-\$3.3	0.6%	\$293	\$9.0	1.7%
1962	\$555	\$107	-\$7.1	1.3%	\$303	\$9.1	1.6%
1963	\$585	\$111	-\$4.8	0.8%	\$310	\$9.9	1.7%
1964	\$625	\$119	-\$5.9	0.9%	\$316	\$11	1.7%
1965	\$671	\$118	-\$1.4	0.2%	\$322	\$11	1.7%
1966	\$735	\$135	-\$3.7	0.5%	\$329	\$12	1.6%
1967	\$793	\$158	-\$8.6	1.1%	\$340	\$13	1.7%
1968	\$847	\$178	-\$25.2	3.0%	\$369	\$15	1.7%
1969	\$926	\$184	+\$3.2	0.4%	\$366	\$17	1.8%
1970	\$985	\$196	-\$2.8	0.3%	\$381	\$19	2.0%
1971	\$1.05 trillion	\$210	-\$23	2.2%	\$408	\$21	2.0%
1972	\$1.15	\$231	-\$23	2.0%	\$436	\$22	1.9%
1973	\$1.27	\$246	-\$15	1.2%	\$466	\$24	1.9%
1974	\$1.40	\$269	-\$6	0.4%	\$484	\$29	2.1%
1975	\$1.51	\$332	-\$53	3.5%	\$542	\$33	2.2%
1976	\$1.68	\$372	-\$74	4.4%	\$629	\$37	2.2%
1977	\$1.92	\$409	-\$54	2.8%	\$706	\$42	2.2%
1978	\$2.16	\$459	-\$59	2.7%	\$777	\$49	2.3%
1979	\$2.43	\$504	-\$40	1.7%	\$829	\$60	2.5%
1980	\$2.64	\$591	-\$74	2.8%	\$909	\$75	2.8%
1981	\$2.96	\$678	-\$79	2.7%	\$994	\$96	3.2%
1982	\$3.12	\$746	-\$128	4.1%	\$1.14 trillion	\$117	3.8%
1983	\$3.32	\$808	-\$208	6.3%	\$1.37	\$129	3.9%
1984	\$3.70	\$852	-\$185	5.0%	\$1.56	\$154	4.2%
1985	\$3.97	\$946	-\$212	5.4%	\$1.82	\$179	4.5%
1986	\$4.22	\$990	-\$221	5.2%	\$2.12	\$190	4.5%
1987	\$4.45	\$1.00 trillion	-\$150	3.4%	\$2.35	\$195	4.4%
1988	\$4.81	\$1.06	-\$155	3.2%	\$2.60	\$214	4.5%
1989	\$5.17	\$1.14	-\$153	2.9%	\$2.87	\$241	4.7%
1990	\$5.47	\$1.25	-\$221	4.0%	\$3.21	\$265	4.8%
1991	\$5.63	\$1.32	-\$270	4.8%	\$3.60	\$286	5.1%
1992	\$5.87	\$1.38	-\$290	4.9%	\$4.00	\$292	5.0%
1993					\$4.20	\$295	4.8%

The tables here show the size of the economy, government spending the national debt and interest payments since 1947. Here is a guide to the categories, from left to right. All figures are based on the federal government's fiscal year, which runs Oct. 1 through Sept. 30:

► **Gross domestic product:** A measure of an economy's size. It is the value of the country's annual output of goods and services.

► **Federal budget:** Total spending by the federal government, including any deficits.

► **Deficit or surplus:** If the government spends less than it collects in revenue, there is a surplus. If the government spends more than it collects, there is a deficit. And that annual deficit becomes part of the national debt.

► **Deficit or surplus as a percentage of GDP:** Compares the size of the annual deficit with the size of the U.S. economy.

► **National debt:** Total debt owed by U.S. taxpayers.

► **Interest paid on the national debt:** Interest paid to people, institutions or government trust funds such as Social Security. They hold Treasury bills, notes and bonds, which are IOUs from the federal government.

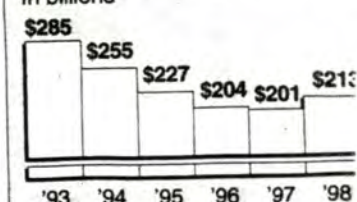
► **Interest as a percentage of GDP:** Compares the size of annual interest payments with the size of the U.S. economy.

A look ahead

Federal budget deficits will shrink, but the national debt will continue to grow under the deficit-reduction plan approved by Congress. Interest payments on the debt this year will cost taxpayers \$295 billion. Projections through 1998:

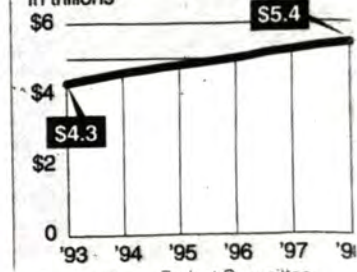
ANNUAL BUDGET DEFICIT

In billions



NATIONAL DEBT

In trillions



THE WHITE HOUSE
WASHINGTON

August 30, 1993

Susan Julia Ross
Natelson and Ross
Post Office Box 2286
Taos, New Mexico 87571

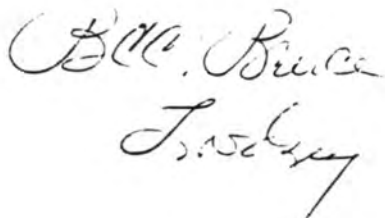
Dear Susan:

Thank you for your letter. I hope you'll accept my deepest apology for the delay in responding.

I appreciate your relating some of the events of your life. You have dealt forthrightly with so many obstacles, and I have deep admiration for achieving all you have in the face of great adversity.

I hope we will be able to give you the opportunity to serve that you seek. I have asked Bruce Lindsey, Director of Presidential Personnel, to work on it for me.

Sincerely,



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Global View

A Failure to Define Foreign-Policy Plans Is Dogging Clinton

Critics, at Home and Abroad,
Question His Toughness
And Will to Lead World
But He Scores Some Successes

By CARLA ANNE ROBBINS
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—"Quagmire" was how President Clinton's top political and military advisers described Bosnia last spring. After a humiliating rebuff from America's allies, Mr. Clinton had come to agree.

But in early July, sitting in a Tokyo hotel listening to reports from Serb-besieged Sarajevo, aides say the president began thinking anew about U.S. involvement. The city had gone for weeks without water and electricity. Typhoid, famine and the fall of the capital loomed. The human suffering was too awful to ignore. And his reputation as a world leader could be damaged indelibly if he did nothing.

Now, more than a month later it still isn't clear whether the U.S. and its allies will make good on their latest threats to use air strikes. The Serbs have been worried enough to ease their siege somewhat. But a carving up of Bosnia seems inevitable, and neither the U.S. nor its allies are even contemplating military actions to prevent it. Even so, there is a tough test of U.S. resolve to come: If a partition arrangement is agreed upon, President Clinton will have to decide whether to fulfill his pledge to send ground forces to support a peacekeeping mission.

Dogged by Doubts

For Mr. Clinton, grasping the mantle of international leadership hasn't been easy. Ever since his election, he and his top foreign-policy advisers have been dogged by questions about whether they have the strength or the fundamental will to lead in an increasingly complex world. The flip-flops over Bosnia have heightened concern that Washington isn't sure what really matters, or where the U.S. should put its troops and treasure. The impression of "ad hocism" and drift has overshadowed even deftly handled foreign-policy areas, notably Russia, North Korea and weapons proliferation.

What's News—

Business and Finance

STOCKS SURGED to record levels, boosted by a rally in economically sensitive issues. Bond prices also rose. Strong gains in heavy machinery and auto stocks helped send the Dow industrials up 32.98 to a record 3638.96. The price of the benchmark 30-year Treasury bond rose nearly $\frac{1}{2}$ point. Its yield fell to 6.19%, a 16-year low.

(Article on Page C1)

Bell Atlantic may enter the video programming business, a federal court said, in a ruling that could reshape the competition between phone companies and cable operators.

(Article on Page A3)

Federal appeals court judges expressed skepticism at arguments that the Clinton administration needs to file an environmental impact statement before proceeding with the North American Free Trade Agreement.

(Article on Page A3)

Deere's earnings surged tenfold in the latest quarter, surpassing expectations on Wall Street for the second consecutive quarter. The equipment maker's shares jumped \$5.25, or 7.6%, to a 52-week high of \$74.

(Article on Page A3)

Oil production by OPEC members remains high despite sluggish demand, resulting in a rise in inventories that is holding down prices.

(Article on Page A2)

Daimler-Benz's Mercedes plans to eliminate 14,000 jobs from its German operations in 1994, amid a downturn in Europe's car and truck markets.

Honda Motor posted a 55% drop in group pretax profit for the latest quarter, reflecting the effects of the strong yen and a steep decline in car sales.

(Articles on Page A6)

The selling pace of North American-built cars and light trucks picked up in mid-August, as auto makers used cash incentives to sell 1993 models.

World-Wide

THE U.S. IS PLANNING sanctions against China for its sales of missile technology.

Washington is expected to impose sanctions on Beijing for violating pledges selling missile technology to Pakistan, officials said. The penalties could be announced as early as this week, after Beijing has been notified. The sanctions could amount to hundreds of millions of dollars in high-technology trade. U.S. officials long suspected that China has been selling Pakistan components of the M-11 ballistic missile, which can carry a 1,000-pound head up to 186 miles. (Article on Page A2)

Saudi and Chinese officials agreed a joint inspection of a Chinese ship that the U.S. says is carrying chemical arms materials bound for Iran.

The Mars Observer space probe failed to contact Earth as it was programmed after its expected drop into orbit at Mars, increasing concern that NASA's billion unmanned mission could be a loss. (Article on Page B6)

Two U.S. cargo planes airdropped packaged meals over the besieged Bosnian city of Mostar last night. U.S. officials say a U.N. food convoy is hoping to be able to get into the city's Muslim enclave, where 55,000 people are under siege by Croats.

The Pentagon announced that the mission of an elite force of 400 Army soldiers is to improve the "overall situation" in Somalia's capital. Despite their training, the U.S. troops won't be used to seize clan leader Aidid, officials said. Troops will leave for Somalia this week.

A Roman Catholic cardinal arrived in northern Nicaraguan village of Quilichao to talk with rightist guerrillas holding hostages. In Managua, former President Ortega met with leftist gunmen holding the nation's vice president and 15 others. Sides have released some hostages since standoff began Thursday.

A blood test was found to boost chances of uncovering prostate cancer earlier stage than would be the case with conventional physical exam. Separate blood test used for two decades to detect recurrences of colon cancer after surgery isn't saving lives. (Article on Page B6)

Israel announced that all Palestinian

"People in Washington tend to be more neurotic about questions like these. But in Europe, too, we're asking whether this new crowd really has what it takes," says Sir Michael Howard, an Oxford University military historian.

Mr. Clinton has done little to allay these concerns. He hasn't announced a clear set of foreign-policy priorities. Major policy changes have been left to media leaks or elliptical responses at press conferences. As a result, the public debate on Bosnia — or Somalia — has gone on almost totally without his participation. Indeed, with no advance explanation, the administration this week sent 400 Army Rangers to Somalia, where four U.S. soldiers were killed earlier this month in an ambush.

Underlying both those conflicts, or others yet to come, are two fundamental questions: What interests are important enough to risk committing or maintaining American troops on the ground? And, when others are willing to commit ground forces and the U.S. isn't, how can Washington expect to lead?

'It's Not Clear'

"It's important to take care of discrete problems, and they've done a lot of that," says Morton Abramowitz, president of the Carnegie Endowment for International Peace. "But it's not clear to me, and they haven't explained to the public, what they're really about, except to make foreign policy a pocketbook issue."

Mr. Clinton's advisers say the president is doing exactly what the U.S. public wants: devoting most of his energies and his political capital to promoting his domestic agenda. But that level of presidential detachment does have costs. Without clear direction from the top, "foreign policy ends up being set by whatever is the headline or the television story of the day," warns Charles William Maynes, editor of Foreign Policy magazine.

Mr. Clinton, as the first post-Cold War president, arrived at the White House without a foreign-policy blueprint in place. While his predecessors faced a well-defined Soviet menace, Mr. Clinton is left with the shards of the Communist empire, a global virus of ethnic warfare and a shadowy network of terrorists and arms dealers. Erstwhile enemies are seeking economic aid and cooperation, while long-time friends seem to threaten the economic future of essential U.S. industries.

Difficult Task

"If George Bush, the leader of the Gulf War, had been re-elected, many of these questions and doubts would be exactly the same — it would have just taken a little longer for them to surface," says Lawrence Eagleburger, Mr. Bush's last secretary of state.

Indeed, the last time the world handed a U.S. president so many basic changes was after World War II, when Harry Truman had to come to terms with the defeat of fascism and the rise of communism. And Mr. Clinton's task may turn out to be even harder. The postwar doctrine of "containment" espoused by George Kennan, the U.S. diplomat and historian, showed a clear vision for the future, a straightforward response to an obvious threat to U.S. interests. Today's kaleido-

Please Turn to Page A5, Column 4

make room for new models.

(Article on Page A2)

Procter & Gamble sued Mars, claiming that the candy bar maker backed out of an agreement to buy a P&G low-calorie fat product, amid reassessments by candy makers of the market for low-calorie candy bars.

(Article on Page B1)

Travelers is negotiating to sell as much as \$750 million in foreclosed commercial real estate to two investor groups led by Chicago investor Sam Zell and financier George Soros.

(Article on Page A2)

Texas Instruments was tapped by Ford Motor to supply a new antitheft device for Ford cars in Europe.

(Article on Page B6)

Short interest in the over-the-counter stock market reached a record for the seventh consecutive month, climbing 5.2% in mid-August.

(Article on Page C18)

Borland International is slashing the price of its new software spreadsheet products as much as 84%.

(Article on Page B6)

Novell and SynOptics plan to integrate products in a move that could make it easier to allow computers to communicate with each other.

(Article on Page B6)

Markets—

Stocks: Volume 263,056,950 shares. Dow Jones industrials 3638.96, up 32.98; transportation 1649.71, up 18.16; utilities 252.90, up 1.85.

Bonds: Lehman Brothers Treasury index 5502.59, up 13.72.

Commodities: Oil \$18.35 a barrel, off 18 cents. Dow Jones futures index 125.75, up 0.49; spot index 122.78, off 0.46.

Dollar: 103.75 yen, up 0.70; 1.6790 marks, off 0.0045.

deportees who return from exile in Lebanon next month will be detained for questioning and some will then be freed. Others will be held for "further investigation," a defense official said. The Israelis last week said they would allow 187 of the remaining 396 deportees to return sometime in mid-September.

The government identified more than 90 colleges and trade schools that could be barred from participating in federal student loan programs because their students frequently default. Among states, Alaska had the worst repayment rate.

Fighting raged across Angola as loyalist and rebel forces rejected new peace initiatives. State radio said government troops were closing in on the Unita rebels' central stronghold of Huambo, about 330 miles east of Luanda. The U.N. special envoy to Angola said as many as 1,000 people were dying daily from violence and famine.

Two former Iraqi ambassadors defected to Britain in what opponents of Saddam Hussein called a major setback for his government. At a news conference in London, the two men condemned Iraq's reign of "terror and misery." They said they would join forces with Iraqi opposition groups to press for change.

South Africa intends to scrap its white-only system of military conscription and replace it with a voluntary army, Defense Minister Coetsee said. The government plans to introduce legislation during the next session of Parliament that would amend the conscription system, he said.

The U.S. ambassador to Moscow urged Russia and Lithuania to resume talks on the withdrawal of up to 2,600 Russian troops from the Baltic state. In Washington, senior officials said that under U.S. law, Russia could lose \$700 million in technical aid if its forces stay in Lithuania after Oct. 6.

A North Korean defector said military officers had told him that hundreds of people died in a nuclear accident in Yongbyon while officials were trying to hide a reactor from inspectors. It wasn't clear when the alleged accident occurred. The defector described food shortages and growing dissent.

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SOUND BLASTER: Creative Technology Ltd. faces a fight with clone makers besieging its market share and profit margins. Page B4.

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Global View: Failure to Define Foreign-Policy Plan Dogs Clinton

Continued From First Page

scope of menaces doesn't lend itself to similar formulations.

Mr. Clinton's top advisers, at least on paper, have come up with an ambitious foreign-policy agenda: trade, weapons proliferation, peacekeeping, reforming the North Atlantic Treaty Organization and the United Nations, propping up democracy in Russia. But the question is whether they can deliver. Each of the administration's various goals threatens some crucial interest or requires a significant outlay of funds. Without a clear presidential commitment, and a successful effort to build public support, the agenda could get derailed.

The administration was reminded of that when a recent closed-door Senate briefing on the administration's new peacekeeping policy had to be cut short because of bickering between the Pentagon and State Department. "It's at moments like these that a little more engagement from the president would be appreciated," says a U.S. diplomatic official.

Further Questions

Given Mr. Clinton's background—Vietnam War protester, foreign-policy neophyte—there were bound to be some doubts about his toughness on international affairs. His decision to draw both his secretary of state and national security adviser from the Carter administration raised further questions from conservative Democrats, who flocked to him during the campaign, as well as from Republicans and some foreign-policy experts.

Mr. Clinton entered the Oval Office, say aides, with a commitment to support Russian democracy and an instinctive internationalism that placed trade and economics atop a list of more traditional foreign-policy priorities. But beyond that, he has limited his involvement in foreign affairs to a "need-to-cope" basis. In his first seven months in office, crises in Russia, Bosnia and Haiti have demanded intense, but brief, periods of Mr. Clinton's attention, as did preparations for this summer's economic summit.

Mr. Clinton's reticence on foreign affairs also is due to a certain insecurity and inexperience, according to aides. "It has taken him a while to get used to being the leader of the free world," says one senior U.S. official. When the president retreated from his spring initiative to supply arms to the Bosnian Muslims and mount air strikes against the Serbs, he was thinking "more like a governor than the leader of the free world," adds the official. That mistake damaged the prestige of both Mr. Clinton and Secretary of State Warren Christopher. Aides now say that the lesson is "seared" on everyone's minds and that the error won't be repeated.

Meanwhile, Mr. Clinton got a modest boost from a strong performance at the Group of Seven economic summit in July. Though initially unenthusiastic, Mr. Clinton was persuaded by Mr. Christopher to broaden the trip's focus and address ques-

tions about America's role in Asia. Mr. Clinton ended up enjoying the Asian foray and made some preliminary breakthroughs on trade. Indeed, Mr. Clinton is so satisfied that one aide predicts he will return to Asia as soon as next year.

Delegating Responsibility

Mr. Clinton has delegated most foreign-policy responsibilities to Mr. Christopher and to National Security Adviser Anthony Lake. Defense Secretary Les Aspin—chosen because of his conceptual powers and a reputation for toughness—has proved somewhat less of a player than expected because he has been forced to deal with the issue of homosexuals in the military, base closings and his own medical problems. Both Messrs. Christopher and Lake, say aides, have the president's confidence and his ear whenever they need it. Mr. Christopher managed the vice-presidential search and his political judgments are especially valued by the president. Mr. Lake, a Vietnam dove turned new-world interventionist, may be closer to Mr. Clinton philosophically.

Yet neither Mr. Lake nor Mr. Christopher is seen as having the personal charisma to fully play the surrogate's role, and both men have been criticized for not pushing Mr. Clinton to make and stick to tough decisions. Mr. Christopher has been faulted both within the State Department, where he has faced a rebellion over Bosnia policy, and outside, for failing to exert strong leadership. And aides say Mr. Christopher is concerned enough about the perception of foreign-policy drift, that starting in the fall he will give a series of speeches identifying the administration's international priorities.

Beyond winning support to prop up Russia's reform movement—Mr. Clinton's personal priority—the team has had several other clear successes. They have kept the anti-Iraq coalition in place. They helped negotiate a difficult political settlement in Haiti and appear committed to seeing it through. Mr. Christopher recently brokered a truce in southern Lebanon. Most important, they appear open to the need for change—at the U.N., NATO and in Asia's security structures. "These people have inherited a much more uncertain world and they seem to understand it," says Francois Heisbourg, a French defense analyst.

Making Headway

The administration team's most serious rethinking, so far, has been in the areas of nonproliferation and peacekeeping. The team has pressed the Russians to limit the export of missile technology, and have kept up pressure on Ukraine to make sure it doesn't backslide on a commitment to give up its nuclear weapons. The U.S. has also taken the lead in pressing North Korea to stay inside the nuclear-nonproliferation treaty.

On peacekeeping, the administration also has made some progress. At the opening of the U.N. General Assembly

Judge Temporarily Bars Strike by Amtrak Union

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — A federal district court here temporarily barred one of Amtrak's unions from striking the national passenger railroad over a work rule dispute.

The United Transportation Union had threatened to strike Amtrak at 12:01 a.m. EDT today. But Michael Eman, a UTU vice general chairman in Philadelphia, said the "UTU will honor the judge's instructions and there will not be a work stoppage at this time."

An Amtrak spokesman said the temporary restraining order expires in 10 days. The next step is for the union and Amtrak to enter into arbitration to negotiate a settlement of the dispute, he said. Mr. Eman declined to comment.

The dispute concerns the use of maintenance employees to move empty Metrolink passenger trains within Amtrak's Los Angeles maintenance facility. The UTU claims that the work belongs to its members. Amtrak says the issue involves three job positions. The Metrolink trains are operated by Amtrak under contract to the California Department of Transportation.

The strike would have affected about 62,000 passengers carried by Amtrak each day on 220 trains in 45 states. The court's order also represents a reprieve for rail commuters in New York, Boston, Philadelphia, Washington, Chicago and Los Angeles.

next month, Mr. Clinton is expected to unveil a new policy which will offer U.S. training for international peacekeepers as well as help in establishing a much-needed command-and-control center at the U.N. The administration also is willing to allow U.S. troops to serve under U.N. command, but because of the objections of the Pentagon, it isn't expected to formally "earmark" any U.S. troops to a standing U.N. force. And if the administration doesn't soon settle its internal budgetary squabbles, the U.S. could be \$1 billion in arrears to the U.N. peacekeeping budget by the end of next year.

The most agonizing test of President Clinton's leadership may still be the most traditional: deciding when and under what conditions to send America's sons and daughters into battle. While always difficult, it has become even more so in a world where U.S. vital interests are no longer easily defined.

Mr. Heisbourg, the defense analyst, says that test is one the U.S. can't shy away from. "While you point to bombs and high tech to prove your military might, what we see is still a country afraid to put its young men and women seriously at risk on the ground," he says. "You're not on the ground in Bosnia and you're barely there in Somalia. That still remains a key test for U.S. leadership." With Mr. Clinton committed to sending as many as 20,000 U.S. troops to enforce a truce in Bosnia, that test may come soon.

LINDA LESOURD LADER

THE PRESIDENT HAS SEEN

8/30

TO: The President
DATE: August 19, 1993

August 165Fyi - another Q for
what next -

Bc

Happy Birthday! We're glad you were born!

The following column from Christianity Today (August 16) is not exactly a birthday present, but I thought you should see it. Christianity Today's editor, David Neff, will be attending the August 30 breakfast, and Phil and I will take him and a few others to dinner the night before. When you return, I'll advise you of some additional people coming.

I do hope your birthday is happy and that you'll now have a real vacation!

We're with you!
Linda

PHILIP YANCEY

THE PRESIDENT I'VE SEEN 8/30

Why Clinton Is Not Antichrist

I've not yet heard anyone call Bill Clinton the Antichrist, but it wouldn't surprise me. Not since John Kennedy has a President caused such alarm in evangelical churches. (Remember the scary bestseller, *If America Elects a Catholic President?*)

Ironically, Bill Clinton is a lifelong Southern Baptist who can knowledgeably discuss the doctrines of original sin and justification by faith. He attends church, speaks warmly of his long friendship with Billy Graham, and points to the Graham crusade in Little Rock as a life-changing event for him as a teenager. Even so, evangelicals opposed his candidacy by a wide margin and have raised strident voices against his policies.

"I just have the feeling the country's headed in the wrong direction," said one friend of mine. Many share her uneasiness, for reasons that go far beyond Bill Clinton. The crime rate in 1960 was about 15 percent of the current rate. Promiscuity—in sex, drugs, violence, materialism—has become the spirit of the age. The United States can be considered a "Christian nation" only in the loosest sense. "God will turn his back on America," said my friend, shaking her head sadly.

All this concern about "the decline of America" got me wondering how much attention God pays to national boundaries. Does God really judge the United States or any other country as a national entity? I have often heard this verse quoted as a formula for national revival: "If my people, who are called by my name, will humble themselves and pray and seek my face and turn from their wicked ways, then will I hear from heaven and will forgive their sin and will heal their land" (2 Chron. 7:14, NIV). Yet that promise was given as part of God's covenantal relationship with the ancient Hebrews; its occasion was the dedication of Solomon's temple, God's dwelling place. Have we any reason to assume God has a similar covenant with the U.S.A.?

Certainly the Old Testament shows God dealing with national entities: the prophets called down judgment on Israel and Judah, as well as Philistia and Babylon. But the New Testament seems to introduce a major shift. Jesus stressed "the kingdom of heaven" as the central focus of God's activity, a kingdom that transcends national boundaries and permeates society so as to affect the whole gradually, like salt sprinkled on meat.

Pentecost got the new kingdom off to a rousing international start, an Ethiopian eunuch soon spread it into Africa, and before long a man named Paul declared himself "apostle to the Gentiles." Paul cared deeply about individual churches in Galatia, Ephesus, Corinth, and Rome, but I find no indication that he gave any thought to a "Christianized" Roman Empire. The Revelation of John continues the pattern: that book records specific messages to seven churches but dismisses the

political entity of what many conclude was Rome as "Babylon the great, the mother of prostitutes and of the abominations of the earth" (17:5, NIV).

A world of fugitives

Some historians argue that the church loses sight of its mission as it moves closer to the seat of power. Witness the era of Constantine or Europe just before the Reformation. We may be seeing history repeat itself. In 1991, as communism fell in Poland, 70 percent of Poles approved of the Catholic church as a moral and spiritual force. Now only 40 percent approve, mainly because of the church's "interference" in politics. Modern Poland does not practice church/state separation: a new law says radio and TV broadcasts must "respect the Christian system of values," and the state funds the teaching of Catholicism in public schools. Yet the coziness between church and government has led to a loss of respect for the church.

At various points in U.S. history (the 1850s, the time of Prohibition, and most recently the Moral Majority movement of the 1980s), the Christian church has marked an ascendancy into politics. Now, it appears, the church and politics may be heading in different directions. I, for one, feel no great sense of alarm over that fact. Our real challenge, the focus of our energy, should not be to Christianize the United States (always a losing battle) but rather to strive to be Christ's church in an increasingly hostile world. As Karl Barth said, "[The church] exists . . . to set up in the world a new sign which is radically dissimilar to [the world's] own manner and which contradicts it in a way which is full of promise."

If indeed the United States is sliding down a slippery moral slope, that may better allow the church to set up "a new sign . . . which is full of promise." Already I see evidence of that trend. Last spring a cover story in *The Atlantic Monthly* concluded that "Dan Quayle Was Right" about the grievously harmful effects of single-parent families. Meanwhile, sociologist Robert Bellah, after interviewing hundreds of married couples, identified evangelical Christians as the only group who could articulate a reason for marriage commitments that went beyond selfish interests.

"In a world of fugitives," said T. S. Eliot, "the person taking the opposite direction will appear to run away." It would be pleasant, I must admit, to live in a country where the majority of people followed the Ten Commandments, acted with civility toward one another, and bowed heads once a day for a nonpartisan prayer. There is much to be said for the social atmosphere of the 1950s. But if that environment does not return, I won't lose any sleep. As America slides, I will work and pray for the kingdom of God. If the gates of hell cannot prevail against the church, the current political scene has little chance of impeding its advance. □



All the concern about "the decline of America" got me wondering how much attention God pays to national boundaries.

THE PRESIDENT HAS BEEN

Mails
we need to discuss
them - how to answer
you provide many
in the best -

GILBERT CORNWELL

208 Chimney Rock • North Little Rock, AR 72116-5842 • 501-835-7650

August 14, 1993

President Bill Clinton
White House Office
1600 Pennsylvania Avenue
Washington, DC 20500-2000

Dear Mr. President:

Your Little Rock office has been a pleasure to visit which I have done on several occasions. I have gone there to pick up framing jobs for Linda, Mary Anne, Becky and even your mother. I have also gone there to use it as the Arkansas liaison to Washington.

The staff there are good, loyal, deserving friends and supporters without whom this country would not be as well off. They are ideal for their positions, however, I think there is a void in the Little Rock office if it is to serve the people of Arkansas, you, and your administration.

You need someone who can listen to and assist the people, industries and organizations of Arkansas. Not a spokesman, but someone who has a real desire to help, follow up, and convey back to the people that their concerns are shared by you and that something is being done.

You need a mature professional with no political baggage or asperations. You need Gilbert Cornwell!

Over all these years I have never requested an appointment for myself or my family to anything because the time and need never matched. Now they do. We need each other.

I would like very much to discuss this with you at your convenience. If that means my coming to Beaver Lake I would welcome the opportunity. I can be reached at my home 501 835 7650 .. or my office 501 664 7416.

Sincerely,



Gilbert Cornwell

Capital for Human Services

By Carol Moseley-Braun

WASHINGTON

In East St. Louis, Ill., one of the nation's poorest communities, the doors of a new Family Support Center will open in a few weeks. Infants and preschoolers from very low-income families will receive high-quality, subsidized child care, enabling the parents to become or remain employed. At the same location, parents will receive health-care services, parenting training and educational opportunities.

This initiative was made possible because capital improvement dollars were available from the Illinois Facilities Fund, a private, nonprofit lender, to help construct the facility. Throughout Illinois, the need for capital to bring or expand human services in poor neighborhoods is acute. These services, whether for the elderly, the disabled or infants of working mothers, are an integral part of any economic development plan.

A lack of credit for providers is clearly limiting the availability of child care. But examples in Illinois and across the nation demonstrate how nonprofit, private lenders can help resolve that problem.

The Illinois Facilities Fund, fi-

Carol Moseley-Braun, Democrat of Illinois, is a member of the Senate Banking Committee.

nanced by foundations and banks, makes below-market real estate loans to nonprofit human service agencies unable to obtain traditional financing. The fund has made loans to 23 child-care centers for expansion of services to low-income families. Similar efforts through other nonprofit leaders, like the Child Care Capital Investment

Novel financing helps create day care in Illinois.

Fund in Boston and the Self-Help Development Bank in North Carolina, have proved that nonprofit lenders are excellent partners in child care.

Traditional bank loans don't often work because of the special-use nature of child-care facilities and the need for appraisals that exceed the loan amount, among other reasons. More important, nonprofit child-care is experiencing tremendous growth. It is already underfinanced, with the Government subsidy for low-income families covering only about 75 percent of the cost of the service. This means fund-raising and other income are paramount. Nonprofit lenders are more sensitive to these factors and better able than commercial institu-

tions to structure loans accordingly.

The Illinois Facilities Fund has taken its involvement in child care a step further: last year, it borrowed \$13 million through the tax-exempt bond market and is now building seven child-care centers that it will own, including the one in East St. Louis. The bonds sold easily because, while the bond markets are just as profit-driven as the banks, there are different credit tests and regulators.

The repayment will come from the general revenue of the State of Illinois, topping off an innovative financing with one of the most creative partnerships I have ever seen.

Recognizing the need for investment in communities like East St. Louis, and the role played by nonprofit lenders, President Clinton has proposed the Community Development Financial Institutions Act of 1993 to help expand organizations like the Illinois Facilities Fund.

These lenders can do what even banks committed to community development cannot do — meet the needs of marginal, nonprofit enterprises. With more capital, they can expand lending. The committed public-private-philanthropic partnership they represent offers real opportunity in community development.

In East St. Louis, some poor children will get a better start in life. Some parents can brighten their futures. And we can help more people like them, people who desperately want to help themselves. □

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MORE

Chase J. J. B. C.

Air Power Just Won't Work

Tony Rix in canyon mud
A former soldier critiques the Pentagon plan

BY DAVID H. HACKWORTH

American air power will fail in the Balkans, just as it did during most of World War II, the Korean War, the Vietnam War—and, contrary to Air Force propaganda, during Desert Storm. Air power is not the magic solution to the Balkans' holocaust. It will only enlarge the war, harden the aggressors and be the first step into getting the United States stuck in a bottomless swamp.

The three major governing factors in war are: the enemy, the terrain and the weather. In the Balkans, all three work against high-performance aircraft taking out Serbian heavy artillery and armored vehicles and closing down supply routes. Bosnia's terrain is mainly tree covered and mountainous. The cloud ceilings are low, and the valley floors covered by fog. Similar ground and weather conditions made Soviet and U.S. air power ineffective in Afghanistan and Vietnam. Both superpowers lost hundreds of aircraft and helicopters to insurgent groundfire.

The Bosnian Serbs are also essentially light-infantry guerrillas. If tactical air is applied, the Serbs, like the Viet Cong and Afghan guerrillas before them, will hide their heavy stuff, go to ground and strike like rattlesnakes from every hilltop, behind every tree and at every bend in the road. Allied aircraft, U.S. spotter teams and U.N. peacekeepers on the ground will be their main targets.

Old bombs: U.S. tactical air power has seldom worked against a determined enemy ground force. Hundreds of thousands of raids on the Ho Chi Minh Trail never put the Vietnamese out of business. Yes, laser flash-bam weapons were devastating during Desert Storm. But more than 94 percent of all ordnance used there was the same old dumb, unguided iron bombs dropped over Tokyo in 1942, and which later pummeled the mountains of Korea and the jungles of Vietnam.

The smart stuff highlighted on General Schwarzkopf's show-and-tell TV programs represented about 6 percent of all ordnance employed. It did the job on specific high-signature targets, but the price was mind-boggling. One cruise missile costs \$2 million, and its payload is only 1,000 pounds of TNT. Studies after the gulf war show that more than 88,500 tons of bombs dropped on Iraqi troops in the

open desert killed about 10,000 soldiers and destroyed only 15 to 20 percent of Saddam's tanks and artillery during the air campaign that preceded the ground attack. Victory came not because of decisive air power, but because of hard-hitting armor attacks against an Iraqi army with no will to fight.

Since the 1960s, U.S. Air Force brass have not given a grunt's damn about its ground-support mission. This form of air power is not sexy enough and doesn't pull in the big defense bucks that a \$2 billion

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more vehicle and artillery killers, far outperforming every air force tactical aircraft except the A-10 Warthog.

The Warthog was a tough player throughout the war. But even its deadly effectiveness was limited, as the top air force brass put a ceiling of 8,000 feet on how low it could fly. At that altitude an armored vehicle looks like an ant, making target identification and iron-bomb accuracy almost impossible. The Maverick missiles carried by the A-10s did a good job, except they took out more clever dummy plywood decoys than the real thing. Since Desert Storm, except for a few active-duty squadrons, the A-10 has been relegated to the air guard and replaced by "fast burner" jets.

The top brass say the fast burners can



ART ZAMUR—GAMMA-LIAISON

The guerrillas will go to ground—and strike like rattlesnakes: Serbs in Srebrenica

bomber or acres of sleek missiles with nuclear-tipped warheads do. To get around this during the Vietnam period, the army developed its own tactical-air-support weapons—the attack helicopter gunship—to ensure its grunts would have the right stuff in a fight. Now the Pentagon has two tactical air forces: the U.S. Army's, which works, and the U.S. Air Force's, which is all show and no go and is not trusted to do the job by the grunts and their leaders.

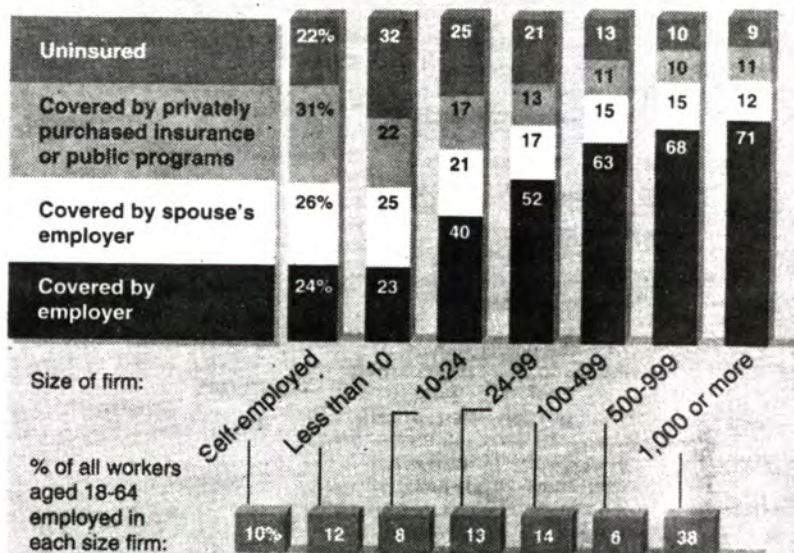
During Operation Desert Storm, General Schwarzkopf assigned the most critical air mission of the war to army attack helicopters: blast a hole in Iraq's air-defense screen so high-performance aircraft could streak through and batter Baghdad with total surprise. Fighters were not reliable enough. During the ground-attack phase, the Cobras and Apache attack choppers were the top ar-

do a better tactical-air-support job, but savvy pilots say this is not true. Contrary to hype, they go too fast, can't loiter long enough to become familiar with the battlefield and are so vulnerable that one AK-47 assault-rifle slug will bring them down. Last January 110 aircraft were massed to knock out missile and radar sites in Iraq's southern no-fly zone. The results were disastrous: only 25 percent of the targeted sites were disabled.

Warfare is like surgery. You should use exactly the right instrument. A chain saw is no good for a brain tumor, and high-performance aircraft will be a disaster in the Balkans. The bottom line is: we don't have the right stuff to do the job; and if we did, it wouldn't work against a guerrilla fighting in favorable terrain. Many brave pilots will be put at great risk, and America will once again be stuck in another unwinnable war.

Who's Covered in the Workplace

Health insurance status of workers aged 18-64 employed in each size firm. Percentages.*



*Figures may not add to 100, because some workers are covered by more than one source of insurance, and/or rounding.

Source: Employee Benefits Research Institute

78a10

The New York Times

lower. Businessmen there say the mandate sometimes caused hardship. General employers have not yet passed a recent study. tacked and won a delay of the plan until 1995. Opponents are expected to make another push to delay or kill the plan. Oregon passed an employer mandate originally scheduled to

B.H.C.
a couple of interesting
ideas B.C.

FEARLESS TRAVELERBy James T. Yenckel
Washington Post Staff Writer

THE PRESIDENT HAS SEEN 8/30

Dear Bill,

Now that you're
back from that
last-minute
jaunt to the
Vineyard,
how about
taking a
moment to
think about
doing things
differently
next year?

Granted, presidents can afford to be cavalier about vacation planning—when's the last time you heard the word no? And we're sure Bob's house on the Vineyard was lovely this time of year. But the fact is, you could have ended up five miles from the beach in a third-rate motel with the air conditioner and the TV on the fritz. Think about that.

1/2

For next year we'd like you to consider the following 10 vacation possibilities.

These are the kind of trips most Americans take (minus Disney World, which we assume you've already seen). We know how hard it is for you to break away from the White House—so we've stuck to the United States and its territories. We also kept in mind everything we've learned lately about your travel preferences:

- ✓People.
- ✓Movies.
- ✓Shopping.
- ✓Golf.
- ✓No Wyoming ranches:
too rustic. (Or was it the allergies?)
- ✓No California beach-front estates:
too Hollywood.
- ✓No Camp David: too much solitude.

We suggest you follow your fellow Americans' lead and:

1. Pick a Park.

A national park seems a natural getaway for an American president, but who was the last chief executive to make a regular practice

See FEARLESS, pp. C-1, C-2

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FEARLESS TRAVELER

FEARLESS, From E1

of visiting them? (Gerald Ford was a seasonal ranger at Yellowstone in the mid-1930s, according to the National Park Service, which claims him as the only presidential ranger.) For workaholics like you, a park could be the perfect working vacation. While you hike the trails, you can see first-hand how the national parks are suffering from overuse and underfunding. In the summer, there are plenty of people around. And there's no need to rough it. Several of the parks boast historic lodges with urban comforts, among them Yosemite's Ahwahnee Hotel, Grand Canyon's El Tovar Hotel, Grand Teton's Jenny Lake Lodge and Yellowstone's Lake Yellowstone Hotel. But these places book early, and now is not too soon to think about making a reservation.

2. Take to the waves.

Lots of Americans go on cruises, and most of them have a good time. Cruises offer plenty of opportunity for socializing among passengers, nightly movies and live entertainment, and shopping at every port. Need a snack? There are five or six meals daily, from pre-breakfast coffee and sweet rolls through the mid-night buffet. Within the limits of the United States, your cruise choices are slim. But you could sail the Hawaiian Islands with American Hawaii Cruises or follow in the wake of Mark Twain aboard one of the Mississippi River boats operated by the Delta Queen Steamboat Co. After this summer's floods, the tourist industry on the Mississippi might need a presidential boost.

3. Hit a few.

Obviously, sir, you enjoy golf, and there are dozens of top-notch resorts throughout the country to choose among, beginning as close to the White House as the Homestead in

Virginia and the Greenbrier in West Virginia. But are Hillary and Chelsea as enthusiastic? If not, these resorts and others fill the day with plenty of other outdoor sports. We recommend the Broadmoor, an activity-filled golf and tennis resort in Colorado Springs, Colo. Wrapped around a small lake at the foot of the Rocky Mountains, it has a beautiful setting, a dry climate, warm sunny days and cool nights. And the shopping is good in the resort city of Colorado Springs. To be sure, the political climate in the community tends to be very conservative, but by stepping into this lion's cage you might make a few friends and pick up a vote or two.

4. Visit the folks.

New Clinton family members keep popping up all the time, so your choice of destinations keeps increasing. But as popular as family visits are with many Americans, I'm afraid this type of vacation won't work for you. If you had a cousin in the White House, how would you like to have him or her show up at your front door for a week with a suitcase, a hotline to the Pentagon and a huge entourage of aides, Secret Service agents and rowdy members of the press all ready to raid your refrigerator? No, you would want him or her to stay home and invite you to visit. The house in Washington has more room.

5. Snuggle the sand.

You opted for a beach vacation at the last minute this summer, and certainly it can be relaxing. But we have a quibble with your choice of Martha's Vineyard. Lots of Washington insiders vacation on the island, giving it an elitist reputation. Surely you can schmooze with them when you're back in town. Instead, why not use this opportunity to find out what the rest of the country is thinking. And anyway, the New England surf is cold. The western Flori-

da Panhandle, near Destin, offers gorgeous beaches and the warm waters of the Gulf of Mexico—and the conversation could be enlightening.

6. Dare.

Think adventure—and think of the photo ops: The president on horseback on an overnight trail ride in Yellowstone's grizzly country, on a raft splashing through the white-water rapids of the Colorado River in the Grand Canyon, on a bicycle pedaling sun-to-inn in Vermont. Remember: Ronald Reagan, a much older president, rode horseback regularly, and Gerald Ford, also much older, is a skier. Many adventure outfitters put together family outings for novices throughout the summer. Admittedly, the logistics of keeping you in touch with the world from deep inside the Grand Canyon are intimidating. But this is the active kind of vacation your fellow baby boomers have endorsed enthusiastically. And Chelsea would probably love it.

7. Hop in the car.

According to surveys, Americans take more driving trips than any other kind of vacation—typically heading for the scenic mountains or coast, spending several days on the road and staying overnight in motels or bed-and-breakfast inns. In recent years, we've toured offbeat corners of the Carolinas, West Virginia, Georgia, Missouri and Kentucky this way, and recommend them all. But of particular interest to you—as a history buff—might be a week-long drive of the Oregon Trail from Independence, Mo., to Oregon City, Ore. The route is an unfolding history lesson every mile of the way. For exercise, you can jog at rest stops and hike a portion of the Oregon Trail. And, yes, in the 150 years since covered wagons first traveled the trail, McDonald's has opened a number of outlets along the way: The presidential appetite would not be denied. The logistics? Perhaps you could make the trip in a chartered bus, as you've toured the country before.

8. Reconsider a ranch.

You recently turned down an invitation to vacation at a private ranch in Wyoming—and although we recognize you and Mrs. Clinton are urban folk, we think you made a mistake. A ranch offers horseback riding and other rigorous outdoor activities as well as quiet contemplation—a combination both physically and mentally invigorating. Please reconsider if the invitation is made again next year, or plan a stay at one of the many guest ranches open to the public in the Rocky Mountains. Several are anything but rustic. For example, the Home Ranch near Steamboat Springs, Colo., is a luxurious member of the prestigious Relais & Châteaux organization. And pictures of you riding the range might ease the anger of western ranchers upset at the proposed hike in grazing fees.

9. Go urban outfitting.

On the campaign trail, you may have traveled throughout the country, but you probably saw little more than the inside of hotels and auditoriums. As an urban enthusiast, you might want to think seriously about a city vacation: Check into a good hotel for a week and tour the city the way other sightseeing Americans do. New York is an obvious choice. But the heat and humidity in Manhattan in August can be dreadful. Our summer candidates for an urban holiday are Seattle and San Francisco, both sophisticated cities with a wealth of cultural attractions, good shopping, scenic surroundings, and blessedly cool weather.

10. Work out.

Not to be impolite, but we fear jogging isn't doing much for the presidential waistline, as evidenced by those photos of you snorkeling in Hawaii. Consider checking into a health spa for a week—the Canyon Ranch in Tucson is a possibility—and submitting to a strict regimen of exercise and dieting. Part of the spa experience is instruction on healthful eating habits. If the lesson takes, you may never crave another burger and fries.

The Washington Post
SUNDAY, AUGUST 29, 1993

VP/Cat
second session
summer 2011? -
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THE PRESIDENT HAS SEEN 8/30

Ulterior Secretary

Babbitt Makes Me Miss Jim Watt

By Alexander Cockburn

BRUCE BABBITT is a bright star in the dim firmament of the Clinton administration. Only Attorney General Janet Reno feasts on coverage as lavish as that showered on the secretary of the interior. A recent MacNeil/Lehrer profile offered Babbitt as emblematic of all that is glorious in the American environmental heritage, a maxi-blend of Theodore Roosevelt, John Muir and the late Edward Abbey. Magazine profiles of the former Arizona governor are similarly unctuous, displaying the great man against a series of wondrous natural backdrops and fawning verbal drapery.

See BABBITT, C4, Col. 1

Alexander Cockburn is a syndicated columnist based at the Nation and author of the forthcoming book, "The Rise and Fall of the Clinton Administration."

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THE WASHINGTON POST
SUNDAY, AUGUST 29, 1993

Interior Secretary

BABBITT, From CI

Each type is nothing new at Interior. **James Watt** too sat still for such outdoor photo sessions, but the fraudulence of his pretensions were obvious. In his menacing shadow, the major environmental groups prospered. Babbitt, by contrast, has this same environmental leadership eating out of his hand.

When Babbitt's name was floated as a candidate for the U.S. Supreme Court, officials of the Environmental Defense Fund organized emergency petitions to the White House to keep Babbitt at Interior. Higher-ups in other mainstream environmental groups trotted forth the message that Babbitt was too vital a friend to lose to the court.

At that moment, Babbitt was pushing through a plan for the national forests of the Pacific Northwest likely to nearly halve the old growth that remains. He had already placated the developers of Southern California at the expense of the endangered gnatcatcher. On his desk was a plan reflecting the desires of the sugar industry of South Florida.

By family background (big-time ranching in Arizona) and political instinct, Babbitt supports the exploitation of the public domain. He's a "wise use" man, through and through, like the founder of the Forest Service, Gifford Pinchot. And like his Arizona predecessor at Interior, Stewart Udall, he's no friend of the environmental movement.

The adoration Babbitt has earned thus far starts with his own adroit realization that the press has a Pavlovian reaction to the words "gridlock" and "compromise."

"Gridlock" plays a kindred role to the mustachioed villain in old melodrama. We're supposed to hate it on sight. In fact, gridlock is often a terse way of describing a last-ditch stand by good guys against the onrushing forces of darkness. Gridlock held the timber industry at bay in the Pacific Northwest after the dreadful ravages of the early and middle '80s.

"Compromise" in the Clinton era is the supposedly benign alibi whereby discordant interests are reconciled and, best of all, a "win-win" solution obtained. "Win-win" is the fast food of doctrinal conflict, and the press adores it.

Also working in Babbitt's favor is the fact that the mainstream environmental leadership in Washington has grown fat with corporate contributions and subventions from foundations such as the Rockefeller or the Pew Charitable Trusts and sham conservation. They have developed a comfortable symbiosis with the predators of the resources they are supposed to be protecting. At the core of their neo-liberal philosophy is the notion of the trade-off.

The theory of the trade-off is that inside every seemingly irreconcilable antagonism there's a dormant compromise awaiting the reviving kiss of the mediator. Label the California gnatcatcher "threatened" rather than "endangered," throw in some uplifting talk about an "ecosystemic" approach and lo! the lamb lies down with the lion.

Or in this case the gnatcatcher perches on the bulldozer of the coastal developer. The developer gets his teeth into coastal habitat and the gnatcatcher gets a bit of chaparral at the far end of a golf course now designated as "open space." This is the kind of ecosystem a builder can live with.

In its proper usage, an "ecosystemic" approach is laudable. It implies a respect for the relationships among forests, fisheries, water, soil, air, wildlife and people. But as now being employed by Babbitt and by looters of the public domain, an ecosystem approach is just a piece of conceptual flim-flam disguising dismemberment of existing environmental protections.

The two crowning achievements of Babbitt's brief sojourn at Interior are supposedly the Clinton plan for the national forests in the Pacific Northwest and the compact on the Everglades. Both display the unwholesome features of a win-win compromise amenable to big timber and big sugar.

Although national forests lie in the domain of Agriculture Secretary Mike Espy, Babbitt has played the leading role. In visits to Northwest timber towns, Babbitt committed the new administration to speedy release of at least 2 billion board feet of lumber. (Throughout the 1980s the companies were taking an annual average of 4 billion board feet out of the region.) He then supervised the emergency drafting in Portland, Ore., of the infamous "Option 9."

The previous eight options developed by teams of government scientists and outside consultants yielded, within the terms of existing law, less than a billion board feet. Option 9, now a 1,200-page draft plan lodged with Judge William Dwyer (who enjoined logging to protect the spotted owl), could see an initial cut of 2 billion board feet per year. There are 5 million acres of unprotected old-growth forest left west of the Cascades; under the plan, 2.3 million of these acres are scheduled for logging. Of the other 54 percent, no acres are inviolate. The forest "reserves" will be open to salvaging and trimming, a notorious loophole for the loggers.

After a hiccup of protest, the mainstream environmental leadership has sat on its

As now being employed by Babbitt and by looters of the public domain, an ecosystem approach is just a piece of conceptual flim-flam disguising dismemberment of existing environmental protections.

hands so far as any substantive resistance is concerned. Grassroots defenders of the forest see it differently. As Jeff St. Clair noted in the Portland-based journal Forest Watch, "The president's plan represents a significant defeat for environmentalists: no permanent and inviolate reserves; no prohibition on clear-cutting in roadless watersheds; 40 percent of the remaining unprotected old-growth subject to commercial harvest; no ban on raw log exports; no restrictions on private lands; and increased cutting on eastside forests."

Babbitt then threatened the environmental leadership with the specter of what is technically known as "sufficiency" unless they gave the nod. "Sufficiency" legislation passed by Congress would render a logging

plan immune to legal challenge. In the face of such blackmail, the environmental leadership succumbed. Only spirited resistance by local groups such as the Oregon Natural Resources Council makes it now likely that the pell-mell logging plans will not be eased quietly past Judge Dwyer.

From Munich in the Old Growth to Menick in the Everglades. The natural glory of central South Florida is being destroyed by phosphorus and silt runoff from the sugar plantations at the southern end of Lake Okechobee. These plantations divert water for irrigation and then hurry it through canals into the Atlantic. The choice is between having the great swamp or unchallenged sugar barons, subdivisions and no Everglades at all.

Babbitt's plan ensures the sugar barons plenty of water. They will continue to apply phosphorus with an unstinting hand. As the polluted water flows to the Everglades, it will theoretically be cleaned in a series of man-made wetlands, 40,000 acres in extent. The taxpayer will foot a very substantial portion of the bill, \$465 million in all.

Babbitt hymned his Everglades plan as "the largest, most ambitious ecosystem restoration ever undertaken in this country." Similarly enthusiastic was Alfonso Fajal, whose family, according to the Clean Water Action Fund, has contributed over \$500,000 to Republican and Democratic politicians since 1985. "In November 1992," the sugar baron rejoiced, "America cast a vote for change. Today the Clinton administration delivers." It was, said Fajal, "the end of gridlock."

Less romantically, a detailed account in the Miami-based Daily Business Review described the origins of the cleanup plan. Last Feb. 22, Babbitt met with the sugar barons. They urged a scheme essentially the same as what Babbitt announced on July 13.

At the press conference that day, Joe Browder, a consultant to the Everglades Coalition, cried angrily at Babbitt, "This whole plan is bad science. I can't understand why you should agree to this."

"Well," Babbitt said, turning away, "that's my job, Joe, to find compromise."

And so it leaps from one "mitigation" to the next. Once the new wetlands plan is outlined in the new wetlands plan, developers will build the wetlands if they contribute to development of wetlands elsewhere, a strategy to prevent failure. No one has yet

made an artificial wetland. Beyond that lies the threatened destruction of 10.5 million acres of the Montana and Idaho wilderness, as Babbitt collapses before Sen. Max Baucus (D-Mont.). Grazing land fees will be slowly raised, which will move or less catch the rates up with inflation. Assuming the Western lobby doesn't defeat this one, the basic paradigm of resource use will remain unchanged.

Back in Arizona, Babbitt's luster has long since dimmed among activists who filled throughout his gubernatorial stint (1978-86) the discordance between national posture and local reality: Babbitt the foe of nuclear power turned into Babbitt the friend of the Palo Verde nuclear power complex; Babbitt the man who lashed out against overgrazing became Babbitt the man who apologized to the Arizona Cattle Grazers Association for his intemperate remarks two weeks later; Babbitt the custodian of precious resources pushed for the Central Arizona Project, a pork-barrel scheme to run water backwards up hill for 370 miles across the Arizona desert to grow sugarcane cotton.

"Not Not Babbitt, the rabbit" bellowed that fierce friend of wilderness, Edward Abbey as Gov. Babbitt proffered his ill-fated candidacy for the 1988 Democratic presidential nomination. "Babbitt is nothing but a flunky for the developers and industrialists who are rapidly destroying what's left of Arizona."

Now Babbitt is killed, at Interior, as the Great Protector. He defends his compromises as the best that can be won. He points to the strident attacks by the timber companies and some sugar cane growers on his plans. But the predators always want more, and the environmental movement is stronger than its timid mainstream leaders' suppose. James Watt would have been a better deal. Better an egregious foe than a coarsening friend.

"If Babbitt is one of 'us' we might as well pack it in and go home," says Tim Herndlach of the Native Forest Council. "At the end of Watt's time, the environmentalists had built themselves to their strongest level ever. Reagan and Bush took 10 million acres of timber out of the publicly owned native and ancient forests. With Babbitt, it will be less, but it will be coming out of a much smaller forest base and therefore could be much more destructive in its impact. That's what happens if compromise is the only center."

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THE PRESIDENT HAS SEEN

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U.S. Peacekeeping Policy Debate Angers Russians

By STEVEN ERLANGER
Special to The New York Times

MOSCOW, Aug. 28 — When President Clinton returns to Washington on Sunday from his vacation, he is expected to approve a Presidential directive that would set out the United States' policy toward peacekeeping in the former Soviet Union, beset by ethnic and nationalist strife.

But this attempt by the United States to clarify its role in keeping the peace in the post-cold-war world has had unintended consequences, prompting an angry reaction among Russians opposed to President Boris N. Yeltsin.

The reaction, which has included heated speculation about American strategic aims to keep Russia "on its knees," has embarrassed pro-American officials in the Russian Foreign Ministry and raised hackles in the Russian military. The episode is being used by anti-Yeltsin forces in the growing struggle between his Government and the Parliament.

U.S. Effort Said to Backfire

"In some very predictable ways, this American effort to help Yeltsin has backfired," a senior Western diplomat said. "Of course the conservatives have distorted it. But foreigners can't tell Russians what their national interests are."

The dispute stems from a draft document, Presidential Decision Directive 13, an effort to define how the United Nations and other international organizations might function after the Soviet collapse and what role America should play. It includes, for example, the prospect of regular participation by American forces under foreign command in United Nations peacekeeping efforts.

But it also includes a controversial section on the former Soviet Union and the variety of ethnic or regional conflicts that beset Russia's periphery. Press leaks of various drafts of the directive have led to considerable confusion about American aims, say senior American officials, who admit that their own efforts to explain a new policy have been wanting or even inept.

They say they have also done a poor job of explaining the creation of a new post of coordinator of regional affairs in the State Department's Office of Newly Independent States under Ambassador-at-Large Strobe Talbott. It will be filled this fall by James Collins, deputy chief of the Moscow Embassy.

Reports in American Press

The reports, which included an Aug. 2 Evans and Novak column and an Aug. 5 article in The Washington Post, have put together the new policy document and Mr. Collins's new job, which a senior American official insisted are not connected. The reports, which were picked up in the Russian press, concentrated on the idea that Washington, through Mr. Collins, would try to mediate disputes between Russia and these newly independent states out of a fear that Mr. Yeltsin's Government might be undermined by rampant nationalism or a renegade Russian military.

Some reports also suggested that Washington would oppose the idea of Russian troops taking part in United Nations or other international peacekeeping efforts in the former Soviet Union, and that Washington's aid to Russia and other countries could be conditional on their willingness to resolve their disputes peacefully.

News Reports Disputed

The idea of unilateral American intervention took on additional weight with the Aug. 5 slaying of Fred Woodruff, identified by Washington officials as a Central Intelligence Agency operative on temporary duty in Georgia, which is barely holding together as a nation. Mr. Woodruff was said to be assisting the Georgian leader, Eduard A. Shevardnadze, to train his personal security staff. But the Russian news media, and many Russian officials, remain unsettled with that explanation.



One Part for the New York Times

An attempt by the U.S. to clarify its role in keeping the peace in the post-cold-war world has prompted speculation about American strategic aims in dealing with the ethnic and regional conflicts that beset

Russia's periphery. In Georgia, which is barely holding together, guards inspected a car outside the headquarters of a peacekeeping force made up of soldiers from former Soviet republics.

Senior American officials here and in Washington now say that these news reports were misleading or untrue, at least according to the current draft of Directive 13.

In summary, they describe current policy this way:

¶ The United States does not seek to intercede in or formally mediate conflicts in the former Soviet Union. But Washington is ready to help diplomatically if all parties to a conflict desire help.

¶ The United States will not act on its own but will concentrate on coopera-

tion in forums like the United Nations and the Council for Security and Cooperation in Europe.

¶ The United States has no intention of getting involved in conflicts within the Russian Federation or intervening in domestic Russian politics.

¶ The United States will not make aid conditional on its judgment of Russian policy and behavior toward other newly independent states.

An effort to help Yeltsin bolsters his foes.

tion in forums like the United Nations and the Council for Security and Cooperation in Europe.

¶ The United States has no intention of getting involved in conflicts within the Russian Federation or intervening in domestic Russian politics.

¶ The United States will not make aid conditional on its judgment of Russian policy and behavior toward other newly independent states.

U.S. Help Sought

As for Mr. Collins, the officials say his new job emerged from a debate about how Washington could do a less haphazard job of "polycymaking and backstopping" on the various conflicts in the former Soviet Union. His function, they say, is to cope with requests for aid and information from Russia and other regional states and to coordinate intelligent policy responses within the unwieldy American bureaucracy. He will also work to coordinate American positions on these regional conflicts within multilateral forums. But his job is not to "intervene" in conflicts or to "mediate" them, they said.

Mr. Collins, said one senior official, will "coordinate within the United States Government the kind of policy response that we would have if we were

asked to play a good offices role in some of the conflicts that are going on."

Another official said, "We're being drawn in by different parties, rather than seeking a new role." But he acknowledged Washington's concern that unresolved conflict could threaten the democratic transition in Russia and other former Soviet nations.

The Russian Government itself has regularly asked for American assessments of conflicts like the ones in Georgia, Moldova, Tajikistan and Nagorno-Karabakh and for advice on how to deal with them — how to get international observers in place, as in Georgia; how to consolidate cease-fires, as in Nagorno-Karabakh; and how to pay for such activities.

Moscow has sought American support in financing Russia's own peacekeeping efforts in the region through a "voluntary" international fund that would bypass the rigid requirements of United Nations peacekeeping, in which each nation is allotted a fixed percentage of the costs. The American share, for instance, is nearly 30 percent.

The Americans insist that if such a voluntary fund is approved by the United States — and it may not be — it would only be used as part of an international peacekeeping arrangement with a "clear international mandate" and a force "not primarily Russian."

But it could not be used for Russian peacekeeping efforts anywhere in the former Soviet Union. The Russian Government is thinking along the same lines, officials say.

No Plan for U.S. Troops

They added that there was no intention of offending Russian sensibilities by allowing American troops to take part in peacekeeping in the former Soviet Union.

The United States is not trying to pretend that Russia does not have interests in the former Soviet Union, including the protection of 25 million ethnic Russians who live outside Russia, the officials say.

But the United States does not want to recognize a Russian "Monroe Doctrine" in the former Soviet Union, given the potential for a divided, humiliated Russian military, still stationed outside Russia, to take sides in places like Georgia, Tajikistan and Moldova.

And Washington does not want, as Mr. Yeltsin suggested in February, to see Russia have "special powers as guarantor of peace and stability in the region." Mr. Yeltsin, it should be said, quickly backed away from the idea.

Still, the reaction in Russia has fanned Russian nationalism, even if some of its expression has been cynical or politically motivated. Angry articles have appeared in Pravda, Trud and especially in Krasnaya Zvezda, or Red Star, the army newspaper, which on Aug. 18 delivered an editorial in language reminiscent of the cold war.

The editorial called Directive 13 "outrageously cynical" and "a direct and unceremonious interference in the domestic affairs of Russia and a number of abutting states."

While the policy's goals "at first glance look fine," the paper continued, it is really designed to "undermine the unstable situation in Russia" and "finish the process begun by Reagan and Bush." Especially provocative, the paper added, was "an attempt to sow confrontation between Russian authorities and the army."

American officials have tried to brief Russian journalists on the issue, but even liberal newspapers like Moscow News have criticized "the purely American arrogance of power" shown by the new policy, which treats Russia "not so much as a partner but as an object of likely American pressure."

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SATURDAY, MAY 29, 1993 A29

Exaggerated Tax Package

For about the zillionth time this year, your paper ["At a Taxing Time, 'The Boss' Is Back," front page, May 27] has called President Clinton's budget program "the largest tax increase in history." That's silly. Obviously, taxes didn't get to their current level without some considerably heftier tax hikes in the past.

By fiscal 1998, when his energy tax is fully phased in, Clinton's tax plan is expected to raise \$64 billion annually, or about 0.8 percent of the gross domestic product. How does that compare with other tax increases in the past half-century?

■ Remember World War II? To help pay for it, federal taxes were increased by a staggering 14.8 percent of the GDP (from fiscal 1940 to 1944). By 1998 standards, that's a tax hike of \$1,165 billion a year—18 times as large as Clinton's proposal.

■ The Korean War required a federal tax increase of 4.6 percent of the GDP. That's \$362 billion in 1998 terms—almost six times bigger than the Clinton plan.

■ The surtax enacted at the end of the Johnson administration to finance the Vietnam War amounted to 2.1 percent

of the GDP. That's \$165 billion a year in 1998 terms—or 2½ times larger than Clinton's annual tax boost.

■ In 1982 Ronald Reagan signed Bob Dole's Tax Equity and Fiscal Responsibility Act. Still in effect, that bill will raise an estimated \$75 billion in fiscal 1998 (\$80 billion if you count the gasoline tax hike also enacted in 1982). At one percent of the GDP, the Reagan-Dole 1982 tax increase is 25 percent bigger than Clinton's proposal.

(I could add that two tax bills enacted in 1983 and 1984—one to rescue Social Security, the other for deficit reduction—will raise about \$70 billion in fiscal 1998—again more than Clinton's plan. But maybe it's unfair to combine them.)

So it might be reasonable for your paper to call Clinton's program "the biggest tax increase since Ronald Reagan's first term." Or even "one of the biggest *peacetime* tax hikes in this century." But the "largest increase in history"? Not even close.

—Robert S. McIntyre

*The writer is director of
Citizens for Tax Justice.*

The U.S. and Japan: Partners or Else

THE PRESIDENT HAS SEEN

8/30

By Walter A. McDougall

President Clinton's favorite historian, the late Carroll Quigley, used to pose this question to his class: "If you and I were locked in a room with a machine gun on one side and a million dollars on the other, which would you choose?" Often a naive student would choose the money, claiming that "anyone would sell the gun for a lot less than that." Quigley would then retort: "You don't know me. Because if I got the gun, I'd leave with the gun and money, too."

Now that the cold war is over, most analysts seem to agree that economic might is more important than military power, that the Pacific Rim is of paramount importance and that U.S. policy should foster democracy and open markets as the best insurance of peace in the region. But, as Quigley explained, security is like oxygen. Deny it to us for only a minute, and all other issues — trade, human rights — are revealed as contingent. That is why security must stay uppermost in the minds of our leaders, and nowhere more so than regarding Northeast Asia.

We are right to applaud reforms in Russia and to hope for the collapse of Communism in China, Vietnam and North Korea on the assumption that liberal regimes are less likely to provoke each other or America. But it is

Walter A. McDougall, professor of international relations at the University of Pennsylvania, is author, most recently, of "Let the Sea Make a Noise... A History of the North Pacific From Magellan to MacArthur."

worth asking whether old geopolitical rivalries can be so easily trumped. Any reforming regime will need to score foreign policy victories in order to sustain domestic support — victories that can only be achieved at the expense of other reforming regimes.

We may cheer the new openness in Japanese politics, for example, but if Prime Minister Morihiro Hosokawa's cabinet seeks to supplant the post-war oligarchy (it must be more assertive in the defense of Japan's interests abroad or it will lose popular support. Preventing a nuclear North Korea is in everyone's interest, but Japanese and Siberians will shudder at the thought that 70 million Koreans might soon unite to form a new Asian great power.

Communist China is obnoxious, but a post-Communist China bursting with economic as well as demographic and military might would be even more imposing in the eyes of its neighbors.

We may wonder at Russia's refusal to relinquish the four Kurile Islands to Japan in exchange for billions of yen to develop Siberia. But so virulent is opposition (one leading Russian nationalist threatened Japan with new Hiroshimas and Nagasakis) that surrender of the islands could well be Boris Yeltsin's last act as president.

In sum, American diplomacy may help reformist regimes, but only at the cost of damaging another. How then can a secure international order emerge in Northeast Asia?

Today we can see that the cold war in Asia was but a manifestation of geopolitical patterns that defined the first Pacific Century: a backward Russia trying to exploit its trans-Siberian railway and compete for the East Asian empire; an industrializing Japan in need of economic outlets

and paranoid lest any rival control Korea and Manchuria; a Korea dreaming of independence; a China struggling to maintain its unity, expel the imperialists and modernize all at once, and a U.S. hoping to balance and pacify the region in the interests of its own security and trade.

We can't be complacent about security in Asia.

The overlapping "zones of control" of the North Pacific powers insured a succession of wars hot and cold. First Russia versus Japan, then Japan against America, then America versus Russia. Now Russia's cold war defeat raises the prospect that the next round will pit the U.S. against Japan.

Alarmists have no difficulty seeing the origins of future Pacific wars in the U.S.-Japanese commercial rivalry, or the death throes of North Korea, or the squabble over the oil-rich Spratly Islands, or the possible crack-up of Siberia or China into satrapies ruled by warlords with access to nuclear weapons. Not surprisingly, East Asia is already the arena for the world's most vigorous arms build-up.

What can the U.S. do to protect the peace and secure its interests in what William Henry Seward called "the great ocean of futurity"? It is not enough simply to cheer domestic reforms and broker bilateral agreements. For, as Quigley wrote, there is no such thing as a truly bilateral agreement: all treaties affect third parties adversely or otherwise.

The obvious solution is a multilateral Asia-Pacific security conference. But such a forum can only be useful when and if Russia and China are represented by stable, trustworthy governments; the Japanese are persuaded to trade in their U.S. alliance for a regional pact; and the U.S. is willing to suffer the universal resentment reserved for nations that play "honest broker."

Until these conditions are met, the U.S. will be pressured to tilt in favor of Japan, China, Russia, Korea or even Vietnam in this or that dispute. Should we back whichever regime is progressing toward "democratization," or rely on power political calculations?

This much, I think, we may postulate. The U.S. will never again station large ground forces in Asia or use its nuclear arsenal for a purpose other than deterrence. Thus, Russia and China will continue to dominate East Asia's mainland in an uneasy balance. A Russo-Chinese détente is not impossible, but except for the monetary savings to be gained from reducing frontier deployments, neither country has much that the other needs.

What Russia and China need is the capital, technology or markets of Japan and America. If these outside powers jealously compete for the economic opportunities on the mainland, a Russo-Japanese entente might emerge that would, in turn, push Chi-

na and the U.S. together. Conversely, if Moscow and Washington fear Japanese "colonization" of Siberia — as they did from 1918 to 1922 — then a Russo-American entente might call into being a pan-Asian "yen bloc" and security community of the sort dreamed of by Japanese expansionists in the 1930's.

By far the healthiest combination — assuming the U.S. must eventually "tilt" — is a deeper North American Japanese alliance that might lend aid to China and Siberia, share burdens and opportunities, and — if the worst should happen — remain aloof from continental warfare.

Assuming that the U.S. resists the siren song of the isolationists and barring nuclear insanity on the part of Russian nationalists or the dying

STRATEGIC ALLIANCES Last of three articles

Chinese Communist regime, then a U.S.-led NATO in alliance with Japan need fear no rival and could exert benign leverage in the Asian Pacific. But a Japan cut loose, or asked to rely on ephemeral treaties drafted by a premature multilateral conference, may have little choice but to build its own nuclear force and secure whatever allies and buffer zones present themselves.

If this reasoning has any merit, it would benefit Tokyo and Washington to recognize that their common security concerns are vastly more important than their commercial spat. To walk into the 21st century in any posture other than lockstep would be madness. Japan and America, pooling their complementary strengths, can assist Korean unification, the development of China and Siberia and provide the foundation for a multilateral regime, with minimal danger to themselves or threat to others.

But a Japan and U.S. at odds and underarmed (as both would be after a rupture) would again, in the second Pacific Century, bow their necks to the cruel yoke of geopolitics.

Tony
V. Quigley piece
B.

THE PRESIDENT HAS SEEN

8/30

A Second Shot at Summer

The sun sets earlier. The lawn is a lost cause. That giant-sized bag of charcoal briquettes you thought you'd never see the bottom of is almost empty. The tube of sun block, all but gone.

Some 200 miles from New York, a relaxed man — the President — steps onto a golf course, shanks his first shot into the trees and asks for the one thing so many of us long for at this time of year:

A mulligan. A second shot. A chance to do it all over again.

But what is there to make of this summer? To some, it will be remembered as the summer of the shelf, the Pope and the all-night budget battles in Washington; to others, the season of Heidi, Michael Jackson and the end of Burt and Loni. It was the summer of Michael Crichton, John Grisham and MTV's Beavis and Butt-head; a summer when the Mets couldn't win, the Yanks couldn't lose.

It was a summer of catastrophic floods, terrible droughts, of monster-sized monster movies and

diminutive meteor showers. In New York, it was the summer of asbestos, the Crown Heights Report, another Parking Violations Bureau scandal. It was a summer when a satellite was lost, somewhere near Mars, unable to phone home. In short (and to steal from Dickens here), it was a summer so unlike every other as to be almost the same as every other.

Still, it is not quite Labor Day, which comes late this year; we seem to have been blessed with an extra week of summer.

A mulligan week, if you will. A bonus time to avoid looking at the "back to school" circulars; five extra days and one long weekend to have that one last barbecue, that one last jog on the beach, that one last day of solace in the sun.

The scandals and the shopping can wait. This is the time to enjoy the fireworks and the Ferris wheels before the vast callopie of summer sighs and then heaves, pitching us headlong into the business of fall.

Letter: On Gun Control

Seat Belts, Bullets and American Lives

To the Editor:

In a letter you published in 1990, I wrote to say that epidemiologists were trying to redefine automobile safety as a public health problem with greater attention to "passive" measures such as vehicle design.

Such views were then generally greeted with skepticism, if not derision, since conventional thinking then saw the problem as driver behavior and the solution as law enforcement. Yet by 1996 Congress had enacted legislation establishing the National Highway Traffic Safety Bureau, headed first by William Haddon Jr., M.D., who had begun his career in the New York State Department of Health. Automobile safety is now a recognized field of scientific research and technological innovation with results to show for it.

I relate this in the context of "What Can the Brady Bill Really Do? A Little Gun Control, a Lot of Guns" (The Week in Review, Aug. 15). You

note that since 1981, when James S. Brady, President Reagan's press secretary, was shot, "Americans have bought nearly 50 million new guns, including more than 20 million handguns." Americans may own some 200 million firearms. Would a waiting period for purchasing new weapons, which I surely support, even so make much of a difference?

You cite criminologists who are skeptical. And ought not they be? We have a two-century supply of handguns. These things last forever. Dr. Haddon used to say that when a car hit a tree nobody got hurt. It wasn't until the passenger hit the car that injury or death occurred. Therefore, think seat belts.

In the same analytic tradition can we not bring ourselves to see that guns don't kill people? Bullets do. And at most we have a four-year supply of ammunition, albeit some can be hoarded. Moreover, the Federal Gov-

ernment already controls, through licensing, the manufacture of bullets. Mind, the Bureau of Alcohol, Tobacco and Firearms, which issues the licenses (for daisy snare with no record keeping), isn't much interested. There is no reference to this responsibility in the bureau's job description in the Government Manual.

The publications of the National Safety Council in 1980 did not mention automobile design. But this can change. John D. Graham, who is director of the Injury Control Center at the Harvard School of Public Health, from which Dr. Haddon graduated, writes: "Bullet-related injury is barely a field of respectable scientific endeavor." But neither was vehicle design a third of a century ago.

DANIEL PATRICK MOYNIHAN
Pindars Corner, N.Y., Aug. 17, 1993
The writer is United States Senator from New York.

Charles R. Muenbaum

V. interesting
brings it to clear out possibilities
here

SUNDAY, AUGUST 29, 1993

THE PRESIDENT HAS SEEN

8/30

Memoirs From a Veteran of the Foreign Policy Wars

■ **Diplomacy:** When State Department analysts strongly oppose U.S. policy—as those at the Balkans desk do—resigning is just one way out.

By James C. Thomson Jr.

Should I get out of the government, shouting from the rooftops? Should I resign quietly, making no waves? Or should I stay in, and try to keep worse things from happening?

These were questions that tore me apart—along with many of my co-workers—as I watched the Vietnam War massively escalate in the mid-1960s from my post on President Lyndon B. Johnson's National Security Council staff.

The same questions have clearly been tormenting middle-rank State Department specialists who grapple with the continuing Bosnia catastrophe under Presidents George Bush and Bill Clinton. And, in a dramatic break with the norms of Washington behavior, four Foreign Service officers have resigned during the past year, issuing public denunciations of U.S. policies with regard to the former Yugoslavia. The latest was Stephen W. Walker, head of the Croatia desk, who quit in mid-August, accusing the Administration of ignoring "genocide" against Bosnian Muslims.

To get out and speak out is a rare thing in the postwar history of U.S. foreign affairs. Traditionally, if you deeply oppose a particular policy and see no way to change it, you either request reassignment or—as a "sorehead"—are forcibly reassigned; otherwise, you resign politely with a friendly exchange of letters, not mentioning your dissent on paper or in public. The latter approach keeps the door open to possible later return to government. Such modes sustain your reputation as a good "team player," or at least a discreet club member.

There is a third alternative, of course—

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stay with the job, hoping for some opportunity down the road to help mitigate the bad policy. This is an honorable choice, one many public servants make.

The Kennedy-Johnson era provides several examples of the choices made by officials who opposed the policy of escalation—and even U.S. involvement in French Indochina.

For instance, Paul N. Kattenburg, the State Department expert who had known Vietnam best and longest and expressed his doubts with brave persistence, was shunted off to a consular post in Guyana. George W. Ball, the undersecretary of state and Johnson's pet in-house "dove," departed quietly in 1968, keeping the fullness of his dissent to himself.

At the Pentagon, Defense Secretary Robert S. McNamara—initially an ardent promoter of what many called "McNamara's War"—had so lost faith in the enterprise by 1967 that a worried L.B.J. eased him into the presidency of the World Bank, well gagged against speaking out. And at the White House, Bill Moyers, the President's virtual adopted son, quietly argued against the war to little effect, then left government for journalism with his loyalty to Johnson intact—though L.B.J. would soon say Moyers had been "fired."

I myself quietly left the NSC staff in the fall of 1966, and it took me nine months to start writing denunciations of the policy from my Harvard teaching post.

In the Nixon years, there were a few dissenters who silently resigned when their consciences could no longer tolerate participation in the Indochina bloodletting. Among those who departed over the May, 1970, invasion of Cambodia was Anthony Lake of Henry A. Kissinger's NSC staff—now himself the Kissinger of the Clinton Administration. At first, Lake and others left without noise, but the press got onto their exit, and they were soon writing and working for antiwar Democratic candidates.

But Bosnia is not Vietnam. And public resignation in protest against policy is a good deal less suicidal than it was in the case of Vietnam. The difference is self-evident. By the mid- and late-1960s, the United States had poured hundreds of millions of dollars into backing the French, supporting the South Vietnamese, then doing it ourselves in "stopping communism" in Southeast Asia. Five American presidents, of both parties, had urged us on in this Cold War "commu-

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Foreign

Continued from M2
ment," and dissenters risked being called "soft on communism." In the case of fragmented Yugoslavia, however, we have no history of such a commitment and no monster ideology we must defeat.

So, the State Department dissenters who have resigned and gone public over Bosnia policy—and the many others who have elected to stay in and try to win the policy debate—are operating in a region and time of history far different from Vietnam. Those departing have to find new jobs; but they will not, so it seems, be persecuted by the executive branch, the Congress or the media.

This was not the case in the most turbulent period of Foreign Service dissension: the "loss of China" to communism in the 1940s.

In those years, most of the State Department's China experts, in Washington and overseas, had warned repeatedly that the U.S.-backed Nationalists could not prevail over Mao Tse-tung's Communists in the Chinese Civil War of 1945-49. They urged a realistic policy of accommodation with the Communists to keep them from postwar dependence on the Soviet Union.

For their prescient recommendations, the China Foreign Service officers were subjected to kangaroo courts called "Loyalty Boards," and endless denunciations on Capitol Hill and in the press. The results were wholesale firings, forced resignations or banishments to obscure posts—and thereby the loss of a generation of China expertise.

China, Vietnam and now Bosnia are only three of the scores of divisive foreign-policy issues that have rolled our nation's leaders and their advisers since World War II. All three contain a central problem in the making of foreign policy: How do you conduct an open and honest debate in a vast, multilayered bureaucracy while maintaining necessary conditions of secrecy? How can you assure that those with the most knowledge are included in the decision-making even if their views are at odds with the current or evolving policy?

Answers have much to do with the character of the presidency and its chief steward, the secretary of state. Here one should note the striking contrast between John F. Kennedy and the two men who succeeded him, Johnson and Richard Nixon. Many have observed that Kennedy conducted high-level meetings like a university seminar; he had the confidence and intelligence to hear, even to demand, a diversity of views as he moved toward a decision. Not so with Johnson and Nixon—both shared a passion for secrecy, distrust of state's professionals and acute insecurities of dissent.

The jury is still out on Clinton's willingness to seek out and hear divergent views on foreign-policy issues. His talk-in-talk-show habit shows one kind of openness, but his secretary of state, Warren Christopher, is already censured by many of his department's professionals for ignoring their views. This is apparently one reason for the resignations of the Yugoslav experts. Perhaps, Christopher will change or be replaced. Perhaps, Clinton will call in state's experts for an unoppressed hearing.

Meantime, however, it seems to me a healthy thing for resignation in protest, together with "speaking out," to become more respected and respectable in our nation. It has long been a tradition in parliamentary democracies. Perhaps, in the post-Cold War era, we Americans are mature enough to tolerate and honor such manifestations of conscience. □

Tony -
What do you make
of this?

B2

THE PRESIDENT HAS SEEN 8/30

Immigration Control: Doing It Right

Needed—a counterfeit-proof ID card for all U.S. workers

The latest twist in California's immigration debate is a call for state sanctions against employers who hire illegal immigrants. Key Democrats are proposing that employers forfeit their farms, factories or other assets if they are found to repeatedly hire illegal immigrants. The plan is half-baked, but the underlying idea—to hold employers accountable—has merit.

The call—sounded last week by Assembly Democrats including Speaker Willie Brown and Richard Polanco of Los Angeles, chairman of the Latino Caucus—is an effort to match Gov. Pete Wilson's controversial recent proposals. Wilson would deny education and health care benefits to illegal immigrants and bar their children from U.S. citizenship. The Democratic response suffers from the same problem as Wilson's plan: Immigration is regulated by the federal government, thus there is little the state can do about it. Still, in focusing on jobs as the magnet that draws immigrants here, the Democrats are hitting a more realistic target than Wilson.

It's true that the suggestion that employers of illegal immigrants forfeit their assets is unrealistically Draconian. But the idea suggests something more workable: Stepped-up enforcement of existing laws prohibiting hiring of illegal immigrants and preventing exploitation in the workplace.

Here the Legislature can do something besides flap its lips. It can increase the budget of those state agencies, like the Industrial Welfare Commission, that inspect workplaces for violations of wage-and-hour laws and worker safety rules. (Not surprisingly, the unscrupulous employers who hire illegal immigrants tend to be the same ones who run their businesses like sweatshops.) U.S. sanctions against employers already

exist under the landmark Immigration Reform and Control Act (IRCA).

It is often forgotten of late that the 1986 act not only granted amnesty to illegal immigrants but also imposed penalties against employers who knowingly hired them. Also, IRCA did not give employers a simple or reliable method to verify a job applicant's eligibility. Workers could provide any number of documents, from Social Security cards to driver's licenses, to verify legal residency in this country. That opened the door to all kinds of counterfeit documents that illegal workers, or dishonest employers determined to hire them, could use to get around the law. The U.S. Immigration and Naturalization Service didn't help any when it failed to assign adequate manpower and resources to enforcing IRCA's



Basis for a new nationwide worker identification system?

employment provisions.

The easiest way to make IRCA work more efficiently and fairly would be for all U.S. workers to have a tamper- and counterfeit-proof worker identity card, not unlike the computer-readable bank or credit cards many people already have. Of course, the idea of making every worker carry such a document raises the hackles of many civil libertarians, who say it smacks of Big Brother government. OK, so try this: Upgrade all Social Security cards.

Every worker—regardless of citizenship, age, race or national origin—is already required by law to have a Social Security card. Sure, the cost of reissuing cards in a computer-readable form is not cheap (\$2.5 billion nationwide by one estimate). But it is less expensive than creating a whole new ID system from scratch.

Congress and the Clinton Administration should enforce IRCA better before anyone in Washington, or Sacramento, tries to reinvent the immigration-reform wheel. Let's start with a tamper-proof card.

*VP/Coase
This targets
every factor
in the economy
for discussion
P.*

ENTERPRISE

Government's 503 Loan Plan Draws Critics

By EUGENE CARLSON

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Is Uncle Sam an avaricious loan shark bleeding thousands of small businesses dry? Or is the government simply being a responsible lender by enforcing a lawful contract, while also trying to keep the budget deficit under control?

There isn't much middle ground in the debate swirling around a federal small-business loan program that has more than 3,000 small companies locked into long-term, double-digit-interest-rate loans with no realistic way to refinance.

Some members of Congress are arguing that the small businesses deserve relief, even if taxpayers have to foot the bill.

The controversy, which has intensified as interest rates have dropped to 20-year lows, involves the Small Business Administration's now-defunct 503 loan program. Introduced in 1979 as a way of encouraging small firms to expand their facilities and to create more jobs, the program offered fixed-rate loans of 20 to 25 years at rates ranging from 11% to 15.7%. The loans financed 40% of an approved project's cost, with commercial lenders and the small company itself contributing the rest.

Following a time when the prime rate had hovered close to 20%, the SBA-guaranteed loans with significantly lower rates looked like a good deal. A total of 4,927 small companies signed up and received 503 loans totaling \$392 million.

One of them was Travers Mayhew, president of Davis Boat Works Inc., Newport News, Va. In 1983, he borrowed \$500,000 at about 13% to relocate his shipyard, which had been gobbled up by interstate highway construction.

Ten years later, falling rates prompted 503 borrowers to look into refinancing their loans. And Mr. Mayhew and other company owners say they were dumbfounded to discover a prepayment clause in the fine print that imposes a huge penalty if the loan is paid off before its due date.

After nine years of paying down his 20-year loan, Mr. Mayhew figures he'd have to come up with at least \$522,000 to clear his 503 debt. That figure includes a loan balance of \$422,000 and an estimated penalty of more than \$100,000.

"It may be legally binding, but none of us knew this was the case," Mr. Mayhew

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THE WALL STREET JOURNAL

MARKETPLACE

THE PRESIDENT HAS SEEN

Track
1/Thinner
Extreme Power
Shut off 1500
500000

U.S. Is Drawing Hefty Criticism for Big Penalties Required to Prepay SBA's High-Interest 503 Loans

Continued From Page B1

says, referring to the many SBA 503 borrowers now reeling from interest-rate shock.

"There is nothing remotely comparable to the 503 prepayment provision in the commercial banking industry," added 26 House members in an April letter to budget director Leon Panetta and Treasury Secretary Lloyd Bentsen seeking help for the 503 loan holders.

Small-business owners who signed up for 503 loans are pleading for relief. Doris Johnson, president of Vancouver Bolt & Supply Inc., Vancouver, Wash., says the government is acting "like a loan shark." She has gathered more than 2,000 affected firms into a coalition to fight for retroactive changes in the loan requirements.

She says it would take "more than \$200,000" to pay off the \$161,500 balance on the \$177,000 that Vancouver Bolt borrowed from the 503 program in 1984.

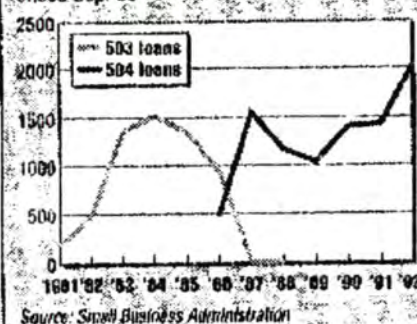
Rep. Ronald Machley, one of a number of sympathetic Congress members, says the terms of the loans may violate state usury laws. The Rhode Island Republican has introduced a bill that would sharply reduce the payoff penalties for 503 borrowers. Rep. Machley also suggests 503 borrowers consider a class-action suit.

Administration's Resistance

But the Clinton administration is resisting. Mr. Panetta says it would cost the government roughly \$70 million if 503 loan holders were allowed to prepay without penalties. The figure represents the difference between what the Treasury Department would collect on the loans, and the

Change in Lending

Number of loans made under the Small Business Administration's 503 loan program (with high prepayment penalties) and under the successor 504 program (with lower prepayment penalties) in fiscal year ended Sep. 30



amount it has to pay to the holders of high interest rates bonds sold to finance the SBA loans.

Pressure to whittle down the budget deficit makes even relatively small unbudgeted spending proposals difficult to sell. Huge unexpected costs resulting from the Midwest floods can only compound the 503 loan holders' difficulty in seeking relief. President Reagan pocket vetoed a 1987 attempt by Congress to soften the prepayment hit on 503 borrowers.

In their letter to Mr. Panetta and Mr. Bentsen, the House members argued that handcuffing the ability of several thousand small firms to expand runs counter to the administration's goal of encouraging small businesses to create jobs. The letter says higher taxes from rejuvenated companies would more than offset any revenue loss to the Treasury.

Small-company owners caught in the interest-rate vise contend the prepayment clause was so obscure that lawyer after lawyer failed to spot it. In fact, there is nothing in the basic 503 loan document about a prepayment penalty. But a promissory note attached to the loan does raise the issue, saying that the fee required to pay off a 503 loan in advance must cover the costs of paying off a debenture issued to finance the SBA loan.

'Legal Gobbledygook'

Harry Whittlesey, president of Whitcom Inc., Islandia, N.Y., a telephone-systems firm, says he is unhappy that his "very highly respected attorney" didn't catch the potential trap. But he adds: "I read contracts all day long. I can understand legal gobbledygook, and this one is beyond reason."

Atlanta-based investment banker Allen Tesche says he borrowed \$500,000 in 503 funds to finance a leveraged buyout of a steel-products manufacturer, paid \$70,000 a year for nine years, and asked the SBA for a payoff figure so he could refinance.

"They said, 'What you really owe is \$545,000,' or some figure like that. I said, 'Wait a minute,'" he recalls.

In addition to the obscure wording, the problem for the 503 borrowers lies in the fact that the Treasury, not the SBA, is the enforcer. The bonds sold to finance the SBA loans are owned by the Treasury's Federal Financing Bank, whose rules state that borrowers must pay the equivalent of the interest-rate yield to the loan's maturity if they prepay. Under this rule, borrowers get a discount on their prepayment total if prevailing rates are higher than

their loan rate. If rates decline, however, they pay a penalty.

The SBA remedied the confusion in its 504 loans, which replaced the 503 program in 1986. The underlying 504 bonds are owned by private investors, not the Treasury. And there's a clearly stated prepayment clause with a penalty schedule on a sliding scale for the first half of the loan only. The current 504 rate on 10-year loans is 5.5%, and on 20-year loans, 6.3%.

The SBA says 14% of the 503 borrowers have paid off their loans.

But that doesn't help 503 loan holders such as Mr. Mayhew, the Virginia shipbuilder. "To realize my retirement, I've got to sell the business or pass it down," he says. "Nobody wants to buy the company and assume a 13% loan."

ON NAFTA, IT'S DEMOCRATS V. DEMOCRATS

Just when congressional Democrats thought they were turning the political corner, along comes an issue that threatens to rip their party apart. Many House and Senate Democrats who have been solid backers of President Clinton passionately oppose the proposed North American Free Trade Agreement (NAFTA) that he plans to ask Congress to approve soon.

"I intend to exert every ounce of energy I have to defeat it," House Majority Whip David E. Bonior, D-Mich., said of the trade pact. "I have not seen an issue with so much conflict since the Central America debate [in the mid-1980s]. This is bread and butter and the survival of America."

Bonior, who has hosted weekly meetings of the bipartisan Congressional Anti-NAFTA Caucus, is one of several Democratic Members who have recently given lengthy House floor speeches attacking the proposed agreement.

In an interview, Bonior warned that Clinton's health care reform initiative could face "a serious problem" if Congress first must deal with NAFTA. "The President has to understand that you can bruise somebody, but you have to be careful not to injure them," he said.

The NAFTA dispute is looming just as things seemed—finally—to be going the Democrats' way after a rough start this year. As they bask in the glow of Clinton's visit to Tokyo and their expected agreement on a \$500 billion deficit reduction package, some Democrats have suggested that after six months in office, their party's leader is gaining confidence and they have completed the hard stuff.

Although many lawmakers devoutly hope that the issue will disappear, there appears to be little chance that Clinton will back down or that they can find middle ground on the trade agreement. The debate is likely to reveal latent economic and political fears within the nation. (See *NJ*, 5/15/93, p. 1160.)

Opponents of the pact are a diverse group. Many share Bonior's fear that low-wage conditions in Mexico would devastate manufacturers in the Rustbelt.

But lawmakers from other regions are worried, too. For Sen. Byron L. Dorgan, D-N.D., a major problem is the earlier free-trade agreement between the United States and Canada that, he said, has resulted in the "dumping" on the U.S. market of millions of bushels of low-



priced Canadian durum wheat, which is the main ingredient of pasta and is vital to his state's economy.

"NAFTA is a continuation of failed trade policy," Dorgan said. "I'm flabbergasted that [Clinton] has taken the hand-off from the Bush Administration, whose policies were inept. . . I've told the President that pushing NAFTA is antithetical to his goals of pushing the economy first." Dorgan and Sen. Carl Levin, D-Mich., are collecting Senate Democrats' signatures on a letter to Clinton, asking him to withdraw the proposed agreement.

Foes in the House have "helped to solidify the opposition and to define it," said Rep. Collin C. Peterson, D-Minn., who founded the Anti-NAFTA Caucus, which has more than 30 members. He fears that cheap imports could threaten thousands of sugar beet industry jobs in his district. "A lot of us are sick and tired that we keep giving away the store in these trade agreements."

Although local ramifications of the pact may carry the most weight with Members, potential environmental and labor problems are another concern. A recent federal court decision requiring an environmental impact statement from the Administration has fueled opposition to the deal, Bonior said, because "it is a warning that they are going too fast."

If Clinton alienates rank-and-file Democrats as well as environmental and labor groups, Peterson warned, "he won't have anyone behind him." If the President attempts to twist arms, he added,

"he won't get a lot of support from me on anything."

Concern about the potential political damage to Clinton and his party extends beyond Capitol Hill. "The international trade people in the Administration are steering the President off a political cliff," Jeff Faux, president of the Economic Policy Institute, a labor-backed Washington think tank, wrote this spring to several friends in the Administration. But, Faux said recently, although some of Clinton's political advisers have reservations about the trade agreement, "the Administration seems hell-bent on getting itself deeper and deeper in this."

Bonior's ardent opposition could also have internal implications in the House, where Majority Leader Richard A. Gephardt, D-Mo., has been straddling the two sides in an attempt to gain stronger supplemental agreements on environmental and labor issues.

A striking aspect of the opponents' brief against NAFTA is their complaint that academic and journalistic elites have mounted the free-trade barricades, giving little press attention to those who disagree. "There is a group of thinkers in this town who have become the priesthood on trade," Dorgan said. "But people across the country know that if we try to integrate the two economies, we will lose U.S. jobs."

Washington insiders have "bought into" Mexican president Carlos Salinas de Gortari because of "his suave demeanor," Bonior said recently on the House floor. "I think he went to Harvard, didn't he?" Rep. Sherrod Brown, D-Ohio, interjected. (Brown is a 1974 Yale graduate.)

NAFTA advocates continue to voice confidence that they will prevail, but they acknowledge that their task is difficult. "One reason that Members have problems is that the economy is in the dumps and middle-class people are insecure," said Rep. Robert T. Matsui, D-Calif., who chairs the congressional liaison group working with the White House on NAFTA. He predicted that Clinton's support for the agreement would open the door for Republican cooperation on other issues, including health care.

Although they have seen little evidence that he will do so, opponents say they hope that Clinton will abandon the agreement rather than suffer an embarrassing defeat this fall.