Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	POTUS to Mack and Mark Middleton (1 page)	09/03/1993	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 1391

FOLDER TITLE:

September 12-18, 1993 [1]

2018-0662-S
rs3068

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]

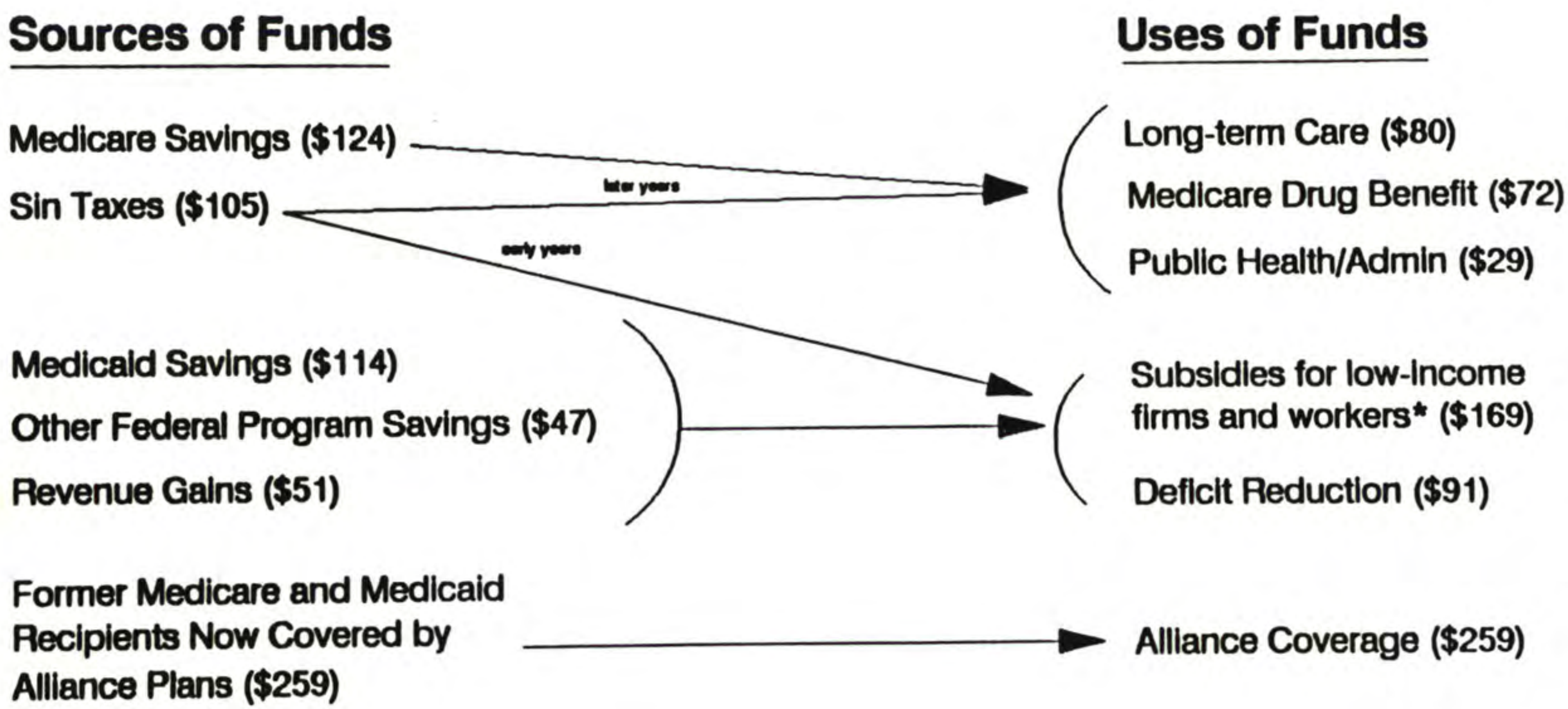
Terry Good

see me

John
Podesta

How Reform Is Financed

($ billion, 1994-2000)



Total ($700)

Total ($700)

* Includes self-employed tax deduction.

Estimates are preliminary and do not incorporate interactive effects.

06-Sep-93

GROWTH RATE OF HEALTH CARE SPENDING

(GROWTH RATES IN PERCENT)

Calendar Years	1994	1995	1996	1997	1998	1999	2000
GDP Growth Rate	5.4	5.3	5.0	4.6	4.3	4.1	4.2
CPI Inflation Rate	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Population Growth	1.0	0.9	0.9	0.9	0.8	0.8	0.8
Private Sector	baseline	baseline	cpi+pop+1.5	cpi+pop+1	cpi+pop+0.5	cpi+pop	cpi+pop
Medicare and Medicaid*	baseline	baseline	cpi+pop+2.4	cpi+pop+1.9	cpi+pop+1.4	cpi+pop+0.9	cpi+pop+0.4
Private Sector							
Baseline	7.4	7.6	7.7	7.6	7.2	6.8	6.4
Reform	7.4	7.6	5.2	4.7	4.1	3.6	3.5
Medicare (Fiscal Years)							
Baseline	11.6	11.2	11.1	9.5	9.1	9.0	9.0
Reform**	11.6	11.2	7.4	5.7	5.1	4.6	4.1
Medicaid (Fiscal Years)							
Baseline	16.5	14.3	11.7	11.6	11.2	11.0	11.0
Reform**	16.5	14.3	7.5	5.7	5.1	4.6	4.1

* Assumes differential growth of 0.9 percent in the public sector.

** Reform estimates are on a fiscal year basis for public programs.

06-Sep-93

BUDGETARY EFFECTS OF HEALTH CARE REFORM

(billions of dollars)

Fiscal Years	1994	1995	1996	1997	1998	1999	2000	1994-00
Total New Spending	1	7	45	64	71	79	83	350
Subsidies Net of Offsets	0	5	25	33	34	33	30	160
Self-Employed Tax Deduction (100%)	0	0	1	2	2	2	2	9
Long-Term Care	0	0	5	10	15	22	28	80
Medicare Drug Benefit	0	0	10	14	15	16	17	72
New Public Health Spending	0	1	3	3	3	4	4	18
Administration	1	1	1	2	2	2	2	11
Total Savings	-12	-15	-36	-59	-81	-104	-134	-441
Medicare Savings	0	0	-7	-15	-23	-33	-46	-124
Medicaid Savings	0	0	-7	-15	-22	-30	-40	-114
Other Federal Program Savings	0	0	-5	-8	-10	-11	-13	-47
Revenue Effects of Mandate	0	0	-2	-6	-10	-14	-19	-51
Sin Taxes and/or Corporate Assessment	-12	-15	-15	-15	-16	-16	-16	-105
Change in Deficit	-11	-8	9	5	-10	-25	-51	-91

* Estimates are preliminary and do not incorporate interactive effects.

06-Sep-93

DETAIL OF SUBSIDY COSTS

(billions of dollars)

Fiscal Years	1994	1995	1996	1997	1998	1999	2000	1994-00
Subsidies Net of Offset	0	5	25	33	34	33	30	160
Gross Subsidies	0	14	58	80	86	89	92	419
Total Offsets	0	-9	-33	-47	-52	-56	-62	-259
State Offset for Medicaid in Alliance	0	-3	-10	-14	-15	-15	-16	-73
Federal Offset for Medicaid in Alliance	0	-4	-15	-22	-25	-28	-31	-125
Federal Offset for Medicare in Alliance	0	-2	-8	-11	-12	-13	-15	-61

* Estimates are preliminary and do not incorporate interactive effects.

06-Sep-93

BUDGETARY EFFECTS OF HEALTH REFORM

(billions of dollars)

Fiscal Years	1994	1995	1996	1997	1998	1999	2000	1994-98	1996-00
Changes in Outlays for Existing Programs	0	-5	-28	-53	-73	-94	-123	-159	-371
Medicaid	0	-4	-21	-36	-46	-57	-70	-107	-230
Liberalized Long-term Care Eligibility	0	0	1	1	1	1	1	3	5
Offset for Medicaid-eligibles in Alliances	0	-4	-15	-22	-25	-28	-31	-66	-121
Savings Due to Cap	0	0	-7	-15	-22	-30	-40	-44	-114
Medicare	0	-2	-5	-12	-20	-30	-44	-39	-111
Cost of Drug Benefit (with Rebate)	0	0	10	14	15	16	17	39	72
Offset for Employed Beneficiaries	0	-2	-8	-11	-12	-13	-15	-33	-59
Savings Due to Cap	0	0	-7	-15	-23	-33	-46	-45	-124
Veterans	0	0	-1	-2	-2	-2	-2	-5	-9
Defense Department Health	0	0	0	0	0	0	-1	0	-1
Federal Employees Health Benefits	0	0	-2	-4	-5	-6	-7	-11	-24
New Public Health Initiatives	0	1	3	3	3	4	4	10	17
Public Health Savings	0	0	-2	-2	-3	-3	-3	-7	-13
Added Outlays for New Programs	1	12	52	76	86	95	103	227	412
Long-Term Care (Net of Premium)	0	0	3	8	13	19	25	24	68
Subsidies (a)	0	14	58	80	86	89	92	238	405
less State Offset for Medicaid in Alliance	0	-3	-10	-14	-15	-15	-16	-42	-70
New Administrative Costs	0	0	1	2	2	2	2	5	9
Start Up Costs	1	1	0	0	0	0	0	2	0
Total Outlay Changes	1	7	24	23	13	1	-20	68	41
Receipts Changes	12	15	15	18	23	26	31	83	113
Sin Taxes/Corporate Assessment	12	15	15	15	16	16	16	73	78
Tax Incentives for Long-term Care	0	0	-1	-1	-1	-2	-2	-3	-7
Expanded Deduction for Self-Employed	0	0	-1	-2	-2	-2	-2	-5	-9
Effects on Other Taxes of the Mandate (b)	0	0	2	6	10	14	19	18	51
Deficit	-11	-8	9	5	-10	-25	-51	-15	-72

(a) From Urban Institute using HCFA premiums.

(b) Unofficial estimate.

* Estimates are preliminary and do not incorporate interactive effects.

06-Sep-93

NATIONAL HEALTH EXPENDITURES

(billions of dollars)

Calendar Years	1994	1995	1996	1997	1998	1999	2000
CBO Baseline	998	1,089	1,185	1,288	1,395	1,510	1,631
% GDP	15.1	15.7	16.3	16.9	17.5	18.2	18.9
% change	9.4	9.1	8.8	8.6	8.4	8.2	8.0
Reform	999	1,112	1,237	1,314	1,376	1,438	1,495
% GDP	15.1	16.0	17.0	17.2	17.3	17.4	17.3
% change	9.4	11.3	11.2	6.2	4.7	4.5	4.0
Change in Spending:							
New Alliance	0	19	71	83	86	90	93
Other New Spending	1	4	13	20	25	33	38
Savings	0	0	−32	−77	−130	−195	−267

* Estimates are preliminary.

THE PROBLEM

All Americans, those who have health insurance and those who do not, understand that serious problems exist in the health care system:

1 out of 4

- **Americans lack security**. One out of four people -- or 63 million people -- will lose health insurance coverage for some period during the next two years. Thirty-seven million Americans have no insurance and another 22 million lack adequate coverage.

  Losing or changing a job often means losing insurance. Becoming ill or living with a chronic medical condition can mean losing insurance coverage or not being able to obtain it.

- **Health care costs are rising faster than other sectors of the economy**. Costs are rising at a rate that will double the cost of health care to American families -- to $14,000 for each family by the end of the decade.

  That rate of growth in health care costs robs workers of wages, fuels the federal budget deficit and puts affordable care out of reach for millions of Americans.

  Left unchecked, rising health care costs will consume almost two-thirds of the increase in Gross Domestic Product for each American for the rest of the decade. They will grow from 14 percent of GDP to 19 percent even without an expansion of coverage to insure all Americans.

- **Bureaucracy overwhelms consumers and health providers.** Excessive paperwork confuses and frustrates doctors, nurses, patients and their families.

  Bureaucracy also drives up costs. Studies document that administrative costs consume a rising portion of the expenses involved in running a typical doctor's office or hospital.

- **Quality is uneven**. Because no clear standards define best medical practice, lack of information and inadequate attention to prevention make the quality of health care across America uneven. Consumers have no reliable information with which to measure the quality of their health care or coverage.

- **Coverage for long–term care is inadequate**. Many elderly and disabled Americans enter nursing homes and other institutions when they would prefer to remain at home. Families exhaust their resources trying to provide for disabled relatives.

- **Many Americans cannot obtain quality care**. In many rural and inner–city areas, shortages of doctors, clinics and hospitals form barriers to care.

- **Fraud and abuse cheat everyone**. Exorbitant charges, fraud and abuse undermine both quality and access to care.

Everything that is wrong with the American health care system is threatening everything that is right about the American health care system. We must fix the system -- preserving every American's right to choose a doctor and access to high–quality care -- before the system self–destructs.

THE HEALTH SECURITY ACT OF 1993

OVERVIEW

The Health Security Act guarantees comprehensive health coverage for all Americans and legal residents, regardless of health or employment status. Health coverage continues with no lifetime limits on services and without interruption if Americans lose or change jobs, move from one area of the country to another, become ill or confront a family crisis.

Americans and their employers will be asked to take responsibility for their health coverage and, in return, they will be guaranteed the security that they will always be covered.

The Health Security Act organizes the private market for health insurance to create incentives for health plans to compete on the basis of quality, service and price. It unleashes the power of the market to put American consumers in the driver's seat, controlling the choice of where they seek health care and how much they pay for it.

To accomplish that task, it establishes a system of regional and corporate health alliances that organize the buying power of consumers and employers. Health plans must meet national standards on coverage, quality, and access to care, but each state tailors the new system to local needs and conditions, opening the way for local innovation within a national framework.

The Health Security Act frees the health care system of much of the accumulated burden of regulation and paperwork, allowing doctors, nurses, hospitals and other health providers to focus on providing high-quality care. It also cracks down on fraud and abuse, reforms malpractice and outlaws insurance practices that hurt small businesses.

CREATING SECURITY

The Health Security Act enhances the security of the American people by extending universal insurance coverage in a environment that improves quality and controls rising costs:

- All employers contribute to health coverage for their employees, creating a level playing field among companies.
- Everyone shares the responsibility to pay for coverage.
- Limits on out-of-pocket payments protect American families from catastrophic costs, while subsidies ease the burden on low-income individuals and small employers.

- A comprehensive benefit package with no lifetime limits on medical coverage guarantees access to a full range of medically necessary or appropriate services.

- Where Americans have health care benefits better than those offered in the guaranteed benefits package, they may keep them.

- Elderly and disabled Americans receive coverage for outpatient prescription drugs under Medicare for the first time.

- Guaranteed choice of health plans and providers enhances choice for many Americans.

- No health plan may deny enrollment to any applicant because of health, employment or financial status, nor may they charge some patients more than others because of age, medical condition or other factors related to risk.

- All health plans meet national quality standards and provide useful information that allows consumers to make valid comparisons among plans and providers.

- Alliances offer an array of competing health plans from which individuals and families choose their health coverage, expanding the range of choice for many Americans.

- Alliances must offer a fee-for-service option and patients can always go outside of their plan and see doctors of their choice.

- Separate programs increase federal support for long-term care and improve the quality and reliability of private long-term care insurance.

CONTROLLING COSTS

The Health Security Act brings projected growth in health care costs in line with growth in Gross Domestic Product by 1999. It accomplishes this goal by increasing competition in health care, reducing administrative costs and imposing budget discipline:

- A standard, universal package of health benefits and reliable information about the price and performance of health plans encourage informed choices.

- Consumers pay less for low–cost plans and more for high–cost plans, creating incentives for cost–conscious decisions.

- Health plans are paid fixed premiums based on risk characteristics of their patients. Working under a fixed budget, they have incentives to spend resources cost effectively.

If savings attained through effective competition and reductions in administrative costs do not achieve the spending goals, a national mechanism provides an emergency brake, or backstop, ensuring that the rise in health insurance premiums is in line with growth in the rest of the economy.

Major government programs, including Medicare and Medicaid, also operate under a budget restraining the growth of federal and state spending for health care.

ENHANCING QUALITY

The Health Security Act improves the quality of health care by creating standards and guidelines for health professionals, re–orienting quality assurance to measuring outcomes rather than regulation, increasing the national commitment to medical research and promoting primary and preventive care.

- Health plans are held accountable for the quality of care, including consumer satisfaction, access to and appropriateness of care and results.

- Regular publication of useful and easily understood information about quality and cost allows consumers to make informed choices among health plans.

- Increased investment in research advances medical knowledge.

- A special funding mechanism ensures that academic health centers continue their vital role in research, training and specialized care.

- Redirected investments support training for primary care physicians and other health professionals; federal action helps remove artificial barriers to practice that hinder nurses and other professionals.

- Investments in public health enhance the level of protection for all Americans.

- Changes in Medicare rate schedules and in the allocation of federal funds supporting graduate medical education provide new incentives for primary care physicians.

- Expanded funding for the education of health professionals other than physicians enhance opportunities for nurses, social workers and others.

EXPANDING ACCESS TO CARE

The Health Security Act invests in the development of an adequate health care system in areas with inadequate service. Those investments hold the promise of improving the availability and quality of health care in rural communities and inner-city neighborhoods.

- Health alliances assume responsibility for promoting health networks in rural and urban areas with inadequate access.

- National loan programs support the efforts of local health providers to develop community-based plans.

- Investments in new health programs such as school-based clinics and community clinics expand access to care for underserved populations.

- Financial incentives attract health professionals to areas with inadequate care.

REDUCING BUREAUCRACY

The Health Security Act reduces the burden of paperwork and administration; regulatory, billing and reporting requirements decline, providing consumers with a streamlined, simpler system:

- A uniform, comprehensive benefit package that covers every American reduces confusion about coverage.

- Administrative costs caused by multiple policies with different benefits and risk selection disappear.

- Standard forms for insurance claims and clinical encounter records simplify paperwork and reduce administrative costs.

- The cost of administering coverage in small companies declines as those firms purchase through regional health alliances that benefit from economies of scale.

- Federal regulatory requirements for Medicare, Medicaid and other programs are simplified.

- Health care services covered by workers' compensation and automobile insurance merge into the new health system, reducing duplication and waste.

- Malpractice reform reduces incentives for unnecessary tests or procedures.

REDUCING FRAUD AND ABUSE

The Health Security Act cracks down on health care providers and institutions that impose excessive charges or engage in fraudulent practices, setting tough standards and imposing stiffer penalties including:

- New criminal penalties for fraud related to health care and for the payment of bribes or gratuities to influence the delivery of health services and coverage.

- New civil monetary penalties against providers who submit false claims.

- Tighter restrictions eliminate referral "kickbacks" in the private sector, and new standards prohibit physicians from prescribing services delivered at institutions in which they hold financial interests.

- Accountability standards make provider fraud and other misbehavior automatic grounds for exclusion from all health plans.

THE HEALTH SECURITY ACT: SUMMARY OF THE PROGRAM

COVERAGE

All Americans and legal residents are guaranteed access to health services in a nationally defined, comprehensive package of benefits and have an obligation to enroll in a health plan. Coverage continues without interruption regardless of a change in employers, employment status, marital status, medical condition or other life events.

Universal coverage takes effect, state by state, beginning in 1995, and is fully implemented by 1997.

Every eligible person receives a Health Security Card entitling him or her to purchase coverage through a health plan. Eligible individuals enroll in a health plan through a health alliance unless they are covered under government–sponsored programs that continue, including Medicare, military personnel covered by the Department of Defense, the Department of Veterans Affairs and the Indian Health Service.

All employers contribute to the purchase of health coverage for their employees.

All employed persons choose a health plan through a regional or corporate health alliance. Employees of firms with 5000 or fewer workers (including the self–employed) become members of a regional alliance established to serve the area in which they live.

Firms or Taft Hartley Plans with more than 5000 employees may fulfill their obligation to purchase or provide coverage for their employees by establishing a corporate alliance or joining the regional alliances.

Medicaid beneficiaries receive coverage through the regional health alliance, choosing among the health plans it offers. Non–working individuals enroll in a health plan through the regional alliance that serves the area in which they live.

BENEFITS

The health benefits guaranteed to all Americans contain no lifetime limits on coverage, and provide a comprehensive package of medical services delivered in the hospital, clinics, professional offices and other sites. One standard, comprehensive benefit package replaces hundreds of different insurance products in the market today.

When medically necessary or appropriate, covered services include hospital care, emergency services, preventive care, mental health and substance–abuse services, family planning, pregnancy–related care, hospice care, home health and extended–care services following an acute illness, ambulance services, outpatient laboratory and diagnostic services, prescription drugs and biologicals, outpatient rehabilitation, durable medical equipment, vision and hearing care, periodic medical checkups and preventive dental services for children.

Additional benefits, including preventive dental care for adults and a more comprehensive mental health and substance–abuse benefit, are phased in by the year 2001. Individuals or employers who wish to purchase additional benefits may do so.

Each individual in a health plan pays the same amount for the nationally guaranteed, comprehensive package, regardless of health status, age, place of residence or employment status. Health plans are prohibited from discriminating based on existing medical conditions and other individual characteristics.

Medicare beneficiaries continue to receive all current benefits and, two years after enactment, receive a new benefit covering outpatient prescription drugs.

COST–SHARING

To simplify the choice for consumers, health plans adopt one of three standard cost–sharing arrangements:

- **Low cost–sharing:** Following the existing model for integrated health plans, consumers choose among participating providers. They pay $10 co–payments for outpatient and professional services; no co–payments for inpatient services, preventive services, home health care following an acute illness.

  To obtain care from providers outside the network, plans offer a point–of–service option with charges paid according to the Alliance fee schedule.

- **Higher cost–sharing:** Following the existing model for fee–for–service plans, consumers may choose to see any provider. Individuals pay $200 annual deductibles before coverage begins; families pay a $400 deductible, with 20 percent co–insurance payment and a maximum out–of–pocket liability of $1500 for individuals and $3000 for families. Preventive services are covered without cost sharing.

- **Combination:** Following the existing model for preferred provider organizations, consumers pay low cost–sharing ($10 co–payments) when seeing physicians and other professionals in the network and higher cost sharing (20 percent co–insurance) when they consult providers who are not participants in the network. Preventive services are covered without cost sharing.

CHOICE OF PLANS

Through alliances that organize the market for health plans and by providing three different levels of cost sharing, the Health Security Act expands choice for many consumers. The standard cost–sharing arrangements also enable consumers to make more informed selections among plans.

In the existing system, only half of employed individuals have a choice of a health plans. For the other half, employers choose their health plans, locking individuals and families into a system of care delivery and determining how much they pay out of pocket. Under health reform, individuals, rather than employers, will choose among health plans and systems of delivery, basing their decisions on quality and price.

In addition, because the Health Security Act requires that alliances provide traditional fee–for–service plans, it preserves the consumer's ability to choose their own doctors and other health providers -- an option that is not available to many consumers today.

SUPPLEMENTAL INSURANCE

Health plans may offer standard supplemental insurance policies to cover cost–sharing and any additional health benefits. Employers may contribute to purchase supplemental coverage for their employees.

Supplemental insurance policies may not duplicate coverage of any services provided under the nationally guaranteed comprehensive benefit package.

Health plans that adopt the high–cost sharing option must offer their participants the opportunity purchase supplemental insurance policies that cover cost sharing.

LONG–TERM CARE

Disabled Americans of all ages gain access to a wider variety of home and community–based support services, making it possible for some individuals to continue to live at home rather than in nursing homes. In addition, existing coverage for long–term care expands through the following changes:

- Improvements in Medicaid coverage for institutional care expand eligibility for nursing home coverage to increase the amount of income and assets patients may retain to $12,000 and $100–a–month living allowance.

- The establishment of national standards improve the quality and reliability of private long–term care insurance, and new tax incentives encourage the purchase of policies on the private market.

- Tax incentives support the efforts of individuals with disabilities to work, covering 50 percent of their costs for personal assistance and other necessary support.

- A demonstration study explores greater integration of acute and long–term care services.

MEDICARE

Medicare recipients experience virtually no change in how and where they obtain health care or their existing benefits. In 1996, Medicare benefits expand to include coverage for prescription drugs under the Medicare Part B policy.

Medicare continues as a federally run program for individuals over age 65. Once the new health care system is in place, individuals have the option of remaining in their health plan when they turn 65 or enrolling in Medicare.

In addition, the range of managed care plans available under Medicare expands, including providing a point–of–service option, in order to offer Medicare beneficiaries a broader range of choice.

As the alliance system is fully implemented, states may provide Medicare benefits through regional alliances, provided the interests of Medicare beneficiaries and the Federal Treasury are safeguarded.

MEDICAID

Medicaid recipients under the age of 65 who are not eligible for cash assistance either through Aid to Families with Dependent Children or Supplemental Security Income no longer enroll in Medicaid. They choose a health plan through regional alliances, with 80 percent of the premium covered by employer contributions if they are employed.

Medicaid continues to pay the cost of health insurance for recipients of AFDC and SSI, who also obtain their health coverage by enrolling through the regional alliance. They choose among health plans offered by the alliance and may choose any plan priced at or below the weighted–average premium without making an additional payment.

Like other members of the alliance, AFDC and SSI recipients with incomes below 150 percent of poverty are eligible for subsidies to cover the cost of co–payments and deductibles if no plan with low cost sharing is available.

To pay for services covered in the comprehensive benefit package, Medicaid pays health plans a fixed rate for each participant. Employers pay 80 percent of the premium for working individuals eligible for Medicaid coverage. Payments from the alliance to health plans are risk adjusted.

States and the federal government maintain current spending for acute–care services under Medicaid.

Medicaid coverage for other services, including special services for the severely disabled and supplemental services, continue as a public program.

RETIREES

Americans who retire before age 65 purchase health coverage through regional alliances paying only the employee share of the premium for their health plan.

Guaranteeing an unprecedented level of security for early retirees and relieving international competitive pressure on American business, retirees who meet vesting requirements as defined under Social Security are eligible to pay only the employee portion of their premium, a maximum of 20 percent. Employers that pay health premiums for individuals who have retired from their workforce pay only the employee's 20 percent share.

CONTROLLING COSTS: MARKETPLACE REFORMS

The Health Security Act controls rising costs and improves the quality of health care by enlisting the power of a competitive market and creating incentives that further those goals.

Reform reduces the existing health insurance system's bloated dependence on administrative control costs to free up resources to improve quality and access for all Americans.

Provisions that accomplish those goals include:

- Changing incentives in the insurance market so that health plans compete on the basis of quality, service and cost rather than risk selection.

  Reform forbids insurers from charging some consumers more than others on the basis of age, gender, or health status. It also outlaws the denial of coverage to any individual based on health status or medical history.

- Changing the basis of payments to health plans to a pre-paid fixed amount for each person, changing existing incentives from "doing more" to "doing it better."

  In the current system, most health care is delivered by doctors and hospitals that get paid for each service they perform. Under health reform, a fixed payment for each individual enrolled becomes, in effect, the budget within which a health plan operates.

- Reducing wide variations in patterns of medical treatment and practice among hospitals and professionals within the same community, among communities and across the nation.

  Under reform, information provided by health alliances allows consumers and providers to compare rates of admission to hospitals and costs for specific treatments.

  The commitment to expanded research related to the effectiveness of medical treatments and courses of care, development of practice guidelines and other information helps doctors, nurses and other professionals deliver more effective care.

- Creating standard reimbursement forms and requirements that simplify the business side of health care.

  With some 1,200 different payers of health costs, hospitals, clinics and doctors contend with hundreds of forms, conflicting regulations and inspections by a variety of federal, state, local and private agencies. Health reform creates standard reimbursement rules and inspection procedures that streamline the system, reducing administrative overhead for providers.

- Eliminating small-group and individual markets for health insurance, in which as much as 30-40 percent of premiums support administrative overhead.

  Large firms pay significantly less in administrative costs closer to 5-7 percent of premiums. Under reform, firms with fewer than 5,000 employees join regional alliances, consolidating administration and purchasing tasks. Economies of scale reduce administrative costs.

- Empowering consumers to make more cost-conscious decisions choosing among health plans on the basis of price and quality.

  Because the level of employer contributions is fixed, price differences among plans become are apparent to consumers. Consumers who choose higher-cost plans pay higher out-of-pocket charges. If large numbers of consumers gravitate to lower-cost plans, more efficient plans gain market share.

- Strengthening Consumer Bargaining Power

  Health alliances exercise significant market power to control premium prices on behalf of consumers.

CONTROLLING COSTS: BUDGETS

The Health Security Act relies on competitive forces and organized buying power as the first line of defense against rising health care costs. It builds in the protection of a national budget activated only in the event that competition and new incentives prove insufficient to meet national goals for controlling rising costs.

The proposal limits the growth of insurance premiums to bring them in line with the rest of the economy. Following a two-year transition, in 1996 the budget safety net ensures that the rate of premium growth for services covered in the comprehensive benefit package) to the Consumer Price Index plus 1.5 percent. The budget safety net ensures that by 1998, health care premiums in the private market to cover the national benefit package will rise no faster than the Consumer Price Index plus population.

While limiting the rate of increase in private sector premiums, the health security program also controls the rate of increase in Medicare and Medicaid spending. Following a two-year transition period, savings against projected growth in Medicare flow to the new outpatient drug benefit for Medicare and new and expanded long-term care.

Medicaid savings contribute to the cost of subsidies to make health insurance more affordable for low-income Americans and small businesses.

Premiums that pay for supplemental benefits beyond the comprehensive benefit package, including health insurance for workers' compensation and auto insurance benefits, are not covered under the budget.

ENFORCING THE BUDGET

Alliances have the capacity to control rising costs through premium negotiations and the authority to refuse contracts with health plans that charge too much. Medicare and Medicaid expenditures are budgeted separately.

Legislation establishes limits on the rate of premium growth in an alliance. If the proposed rate of premium increase in an alliance is in excess of those limits, those plans whose premium increases are high are not permitted to charge the higher rate.

STRUCTURE OF THE NEW SYSTEM

A national framework organizes the market for health coverage under reform. It includes these components:

- An independent National Health Board acts as the board of directors for the health care system setting national standards and overseeing implementation of reform.
- States establish alliances and qualify health plans.
- Regional and corporate alliances bring together consumers and employers, acting as their advocates in negotiations with competing health plans over access, service and price.
- Competing health plans deliver health services covered in the guaranteed benefit package through a variety of delivery systems including preferred provider organizations, health maintenance organizations and fee-for-service plans.

Tailoring the system to local needs, states may create a single-payer system by establishing only one alliance and negotiating directly with providers.

FEDERAL RESPONSIBILITIES AND NATIONAL HEALTH BOARD

The National Health Board consists of seven members appointed by the President with the advice and consent of the Senate. The National Health Board divides responsibility for administering the new health care system with existing federal agencies. The Board undertakes the following functions:

- Setting national standards for state plans and ensuring access to health care for all Americans.
- Interpreting and updating the comprehensive benefit package and recommending to the President and Congress changes in the health care system.
- Implementing the safety net of the national health budget.
- Establishing and managing the new performance-based quality management program, including developing valid measures of health outcomes to be used in annual performance reports for health plans.

- Developing and implementing standards for a national health information system.

  A public–private network serves as the backbone for the health care system's information needs, supporting quality improvement, collection of enrollment demographics and comparative information about cost.

STATE RESPONSIBILITIES

States ensure that all eligible individuals enroll in a regional or corporate alliance and have access to a health plan that delivers the guaranteed benefit package. Each state must implement plans approved by the National Health Board by January 1, 1997.

States begin implementation of the new system as early as January 1, 1995. Implementation involves adopting federal standards, establishing regional health alliances and requiring employers and individuals to obtain coverage.

Within the broad federal guidelines, states exercise flexibility in the design and governance of regional health alliances. States also have the option to implement a single–payer system.

States certify health plans, much as they license health providers and insurance companies. They determine mechanisms for evaluating the quality of health plans, their financial stability and capacity to deliver the guaranteed benefits. Only plans qualified by the state may offer health coverage through alliances. In areas where no health plan exists, the state must assure that at least one health plan is available to cover every eligible individual.

States do not regulate premiums charged by health plans, except when necessary to ensure solvency of health plans.

REGIONAL ALLIANCES

Each state creates one or more regional alliances that organize a menu of health plans, negotiate premiums and enroll individuals in plans. Within broad federal parameters, states exercise flexibility in the design and governance of regional alliances.

The following groups of individuals and families obtain health coverage through regional alliances:

- Employees in firms with fewer than 5000 employees

- Employees of federal, state and local governments

REGIONAL ALLIANCES

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The following groups of individuals and families obtain health coverage through regional alliances:

- Employees in firms with fewer than 5000 employees
- Employees of federal, state and local governments
- Individuals who are self-employed
- Part-time workers
- Retirees who are not yet eligible for Medicare
- Individuals who are not employed.

Negotiating on behalf of between 50 percent and 80 percent of a regional market, regional alliances consolidate the purchasing power of individuals, small- and medium-size businesses to secure the best health coverage for the lowest price. Alliances organize and streamline the fragmented insurance system, replacing health insurance brokers, agents and underwriters with consumer-run organizations focused on providing access, service, quality and cost savings.

Regional alliances drive the competitive forces that make the new system work for American consumers and employers. They undertake the following tasks:

- Representing the interests of consumers and purchasers of health care services.
- Negotiating premiums and coverage and ensuring the delivery of high-quality care while controlling costs.
- Assuring that all residents in the area enroll in health plans that provide the guaranteed benefits.

Where inadequate services exist, alliances may organize health providers or use financial incentives to encourage health plans to expand.

Alliances offer a contract to each qualified health plan seeking to serve its area unless:

- The proposed premium exceeds the weighted–average premium within the alliance by more than 20 percent.

- The health plan's quality of service or care are unsatisfactory as determined by the state.

- The plan engages in practices that have the effect of discriminating against one or more classes of persons based on race, ethnicity, gender, income or health status.

- The plan fails to comply with contract requirements.

Regional alliances operate as non–profit corporations, independent state agencies or agencies of the executive branch. The board of each alliance includes an even number of employer and consumer representatives but may not include health providers and others who profit from the industry.

Americans enroll in the regional alliance that serves the area where they live unless they are covered through a corporate alliance. Alliances hold an annual open enrollment period during which they offer consumers the choice among a menu of health plans, including at least one fee–for–service plan.

Alliances negotiate rates for premiums with each health plan and collect premium contributions from employers and individuals. Alliances pay health plans a fixed premium for each individual or family that enrolls, adjusting the total payments to plans to reflect the level of risk among each plan's participants.

CORPORATE ALLIANCES

Corporate alliances provide health benefits to their employees either through a self–funded employee benefit plan or through contracts with health plans. They operate under the same rules as regional alliances except that the population served is limited to company employees and their dependents. Each corporate alliance contracts with at least one fee–for–service plan and offers at least two other health plans among which employees choose.

Corporate alliances resemble the operation of large employers' benefit departments, arranging premiums and the delivery of services. Firms employing more than 5000 workers, Taft–Hartley plans and rural cooperatives are eligible to organize a corporate alliance, although they may also opt to purchase coverage through regional alliances.

The U.S. Department of Labor monitors the operation of corporate alliances, fulfilling the same role that it assumes under the ERISA statute.

As health reform is implemented, organizations eligible to form corporate alliances may exercise a one–time option to join regional alliances at community rates in areas where they employ fewer than 100 workers. Large corporations also periodically have the option to join regional alliances at a risk–adjusted rate, which gradually declines to reach the prevailing community rate.

A new chapter in the Employee Retirement Income Security Act of 1974 (ERISA) establishes fiduciary and enforcement requirements for employers and other sponsoring health benefit plans in corporate alliances.

HEALTH PLANS

Health plans provide medical services guaranteed in the national benefit package, delivering them through preferred provider organizations, health maintenance organizations, and fee–for–service networks. Health plans:

- Accept every eligible person enrolled by an alliance without regard to individual characteristics, health status or anticipated need for health care.

- May not terminate, restrict or limit coverage for the comprehensive benefit package for any reason, including non–payment of premiums.

- May not cancel coverage for any eligible individual until that individual is enrolled in another health plan.

COMMUNITY RATING

Health plans offer coverage at the same rates for all participants, regardless of age, health or other personal characteristics. Alliances adjust payments to health plans to account for the level of risk among individuals enrolled in each plan.

IMPROVING ACCESS

The Health Security Act seeks to remove financial and non–financial barriers to access that limit care for Americans, who live in central cities, rural and frontier communities and who suffer from certain serious illnesses.

Americans who live in rural areas gain improved access to care through:

- The development of communications links between rural health doctors and academic health centers.

- Creation of incentives to expand community–based networks of health providers and plans, such as long–term contracts for health plans that serve rural areas and federal loan guarantees for capital improvements.

- Attraction of health professionals to rural areas through the expansion of the National Health Service Corps, tax incentives to encourage practice in rural areas and changes that increase compensation for primary care physicians in the Medicare program.

- Expansion of the rural public health system, including support for transportation, outreach, case management, translation, health education, nutrition, social support, child care and home visiting services.

Federal grants and loans also become available for capital investment in underserved urban communities. The federal government further supports the efforts of traditional health care providers, such as community–based clinics in areas without adequate health care, to adapt to the new system through designation as essential community providers.

Essential community providers receive special protection, including requirements for health plans to reimburse for services they deliver, for five years. At the end of that period, health plans must either demonstrate their capacity to provide access for all participants -- including residents of underserved areas -- or continue contracting with essential providers.

Federal block grants that support community health centers, family planning clinics, health care for homeless families and maternal and child health programs continue. New initiatives include funding for school–based clinics.

TRANSITION

STATE IMPLEMENTATION

States begin implementation of the new system as early as January 1, 1995 Most states come into the system in 1996; the rest are required to begin implementation by 1997.

At the time of state implementation, federal subsidies to assist low-income individuals and families and to fund discounts for small, low-wage employers become available. States that expedite implementation receive financial incentives including special start-up funds, and early access to subsidies.

Organizations eligible to establish corporate alliances must begin providing the guaranteed benefit package by January 1, 1997.

INSURANCE REFORM

To reduce the potential for disruption during transition, interim insurance reform impose new rules including:

- The requirement to keep coverage in force
- Restrictions on premium increases
- Prohibitions against reducing coverage
- Assured access to coverage
- Improvement in the portability of coverage

THE FINANCING OF HEALTH REFORM

OVERALL SYSTEM

Most of the new federal costs for health reform are offset by spending reductions.

- Savings in the Medicare program primarily finance new benefits for older Americans. New revenues generated by sin taxes cover the remainder.

- Much of the cost of subsidies to low-income families and discounts for small business involves only a reallocation of spending from Medicaid as some beneficiaries of those programs moves into the alliance system.

  Medicare and Medicaid currently cover some beneficiaries who are employed. Under reform, those individuals and their employers contribute to the cost of insurance premiums reducing spending under Medicare and Medicaid.

  In addition, universal insurance coverage with no lifetime limits means that some current Medicaid recipients, such as the medically needy (individuals who spend down their personal assets as a result of catastrophic illness), will never appear on Medicaid rolls.

  Savings in the Medicaid program counter-balance the cost of subsidies for low-income families that purchase insurance through regional alliances.

- Federal payments that currently compensate health care providers for the care of indigent patients generates one source of savings. With universal health insurance coverage, the population of uninsured patients seeking care will decline, reducing the level of uncompensated care.

  In addition, savings in other federal programs as a result of health reform, including the Defense Department, Department of Veterans Affairs and federal employees' health insurance program, help fund the program.

  Finally, revenue generated by proposed sin taxes provides some funds to cover subsidies for low-income families and for discounts for premiums paid by small businesses.

Health care reform contributes to reductions in the projected federal budget deficit at the end of this decade:

- In the four-year period from 1994–1998, health reform is expected to reduce the projected federal deficit by $4 billion.

- During that period, sin-tax revenues flow into a start-up fund to pay some of the costs of implementation.

- Without controls on rising costs built into health reform, anticipated increases in health care costs would cause the federal deficit to rise sharply toward the end of the decade, but the impact of health reform is strongest by that time. For the seven-year period between 1994 and 2000, it produces a net reduction of $91 billion in the federal deficit.

- Federal tax revenues increase by a projected $51 billion as a result of reducing the deficit and constraining rising costs.

  Those revenues result from the reallocation of resources that employers would have invested in tax-deductible health benefits to taxable income in the form of wages and profits.

- Projected revenue increases are independent of any cap on tax deductibility of health benefits. No anticipated changes in tax policy related to the deductibility of health benefits occur until after 2000.

EMPLOYERS IN THE NEW SYSTEM

Under the Health Security Act, employer contributions for insurance premiums are capped as a percent of payroll and distributed more evenly among employers. The cost of providing health coverage declines for most firms that currently provide insurance.

- In the current system, employers that insure their workers pay $25 billion a each year to cover the cost of care for uninsured patients. Under reform, that burden is eliminated.

- In the current system, many employers pay the entire premium for family policies, while the employer of a worker's spouse makes no contribution. Under reform, both employers share the cost for families in which two spouses work.

- In the current system, health insurance premiums for many employers total more than 10 percent of payroll. Under reform, employers purchasing through regional alliances are guaranteed that they will pay no more than 7.9 percent of payroll.

  Businesses that employ fewer than 50 workers receive discounts for their insurance premiums, reducing their contributions to between 3.5 percent and 7.9 percent of payroll.

- In the current system, many employers contend with annual, double-digit premium increases. Under reform, employers in regional alliances pay community rates that do not vary according to the age, gender or health characteristics of their workers.

  Under reform, employer obligations for insurance premiums are calculated based on the average premium among health plans in their area. As competition among health plans -- backed up by the safety net of a national health budget -- brings the rate of growth in health cost under control, the business sector as a whole benefits.

INDIVIDUALS AND FAMILIES IN THE NEW SYSTEM

Contributions by employers and employees toward the cost of insurance coverage depend on family status. Four types of policies cover different categories of workers: single individual, couple, single–parent family, two–parent family.

The mechanism for collecting premiums involves the following principles:

- Employer contributions cover 80 percent of the average premium for each family category.
- For a single worker, employers pay 80 percent of the individual premium. The average premium is projected to cost about $1,800, equalling an employer share of $1,440.
- An employer also pays a per worker rate for employees who are married and have children. The employer share equals 80 percent of the average family premium in the alliance -- projected to average $4,200 -- divided by the average number of workers in each family in the region, or approximately 1.5 workers.

  Under those circumstances, the per–worker contribution for an employee with a family totals approximately $2,240.
- Employers pay a pro–rated share of the per–worker contribution for part–time workers.
- Employees pay the difference between 80 percent of the average premium and the premium of their chosen health plan. If they choose a plan that charges an average premium, they pay 20 percent, unless their employer chooses to make a higher contribution.
- Consumers keep the difference if they choose a plan that costs less than the average. They pay the extra cost if they choose a plan that costs more than the average.
- Individuals and families with incomes below 150 percent of poverty are eligible for federal subsidies to pay a portion of their employee contributions.

- Individuals who are not employed or are self-employed purchase insurance through regional alliances. Their premiums depend on income and are fully tax deductible.

TAX DEDUCTIBILITY

- Employer contributions toward the premium and toward cost sharing related to the nationally guaranteed comprehensive benefit package are fully tax deductible, as are payments for additional benefits phased in by the year 2001.

- Tax preferences continue for benefits in excess of the nationally guaranteed benefit package offered as of January 1, 1993 for 10 years after enactment of health reform.

FIRST LADY HILLARY RODHAM CLINTON
REMARKS TO HEALTH CARE SUMMIT '93
UNIVERSITY OF MINNESOTA
MINNEAPOLIS, MINNESOTA
SEPTEMBER 17, 1993

[Acknowledgments]

I'd like to thank Congressman Sabo, particularly, for inviting me to this health care conference. I also want to thank him for his dedication to health care issues and his skillful leadership on the Budget Committee -- both of which have made him a welcome presence in Washington these last few months.

I'm particularly honored to be here in Minnesota, a state whose rich contributions to American culture are undeniable. After all, how many states can lay claim to the Mall of America and the Mayo Clinic, to the Metrodome and the copper dome of the Cathedral of St. Paul, to Garrison Keillor and Prince?

Sinclair Lewis, who was born in Sauk Center, once said: "To understand America, it is merely necessary to understand Minnesota. But to understand Minnesota, you must be an historian, an ethnologist, a poet, a cynic, and a graduate prophet all in one."

I can't claim to be any of those, but I can claim to know one thing about Minnesota: This state has led the nation when it comes to innovative health care programs.

Those of you here today embody Minnesota's pioneering spirit -- a spirit that runs broad and deep. We see it at the Mayo Clinic, sometimes called the most innovative doctor's office in the world. We see it at the University of Minnesota, which historically has paved the way in new cardiovascular surgery and the training of primary care physicians for rural areas.

We see it in:

** the state's progressive health plans;
** in its innovative county programs -- such as one here in Hennepin [pronounced henna-pin] County to provide coverage for uninsured residents; -
** in the legislature's courageous, bipartisan effort this year to establish budget targets and encourage integration of the health delivery system;
** and, just this week, in the unveiling of Medica's ground-breaking report card for health care consumers. [Medica is the local health plan affiliated with United Health Care].

Given that impressive history, it's not surprising that we are joined here in Minneapolis to talk about the health and well-being of Americans -- and the health and well-being of America.

In a few days, the President will outline the his national Health Security Act. This initiative marks the first time in years that Congress will have before it a comprehensive measure to provide health security for all Americans.

When this process began many months ago, the President's goal was to design a program that would fulfill the American promise of affordable, high-quality health care for every citizen. That promise is founded on a fundamental belief that good health is every American's most cherished possession -- and a source of collective strength and prosperity for our nation.

This is not a new idea, not a revolutionary concept. Harry Truman fought vigorously to provide all Americans with the opportunity of health care 50 years ago. Since then, others have echoed his concern. But despite good intentions and lots of debate, little has been done to resolve a crisis that grows more complex, more cumbersome, more costly every day.

Now we are at a crucial time in our history when we must move beyond talking. We must move beyond wringing our hands and worrying and wondering whether reform can work. In the months ahead, we must join together and stand up for certain guiding principles that will guarantee the health and well-being of our children and grandchildren in the years ahead.

The process of crafting this legislation has involved thousands of people from all walks of life and from every corner of every state: We have listened to those who tend to the sick -- doctors, nurses, technicians, and employees in our hospitals and hospices. To those who receive care -- the patients who know first-hand the beauties and the pitfalls of our current system. To those who have lost insurance because they got sick or moved or switched jobs.

We have heard from businesses -- large and small -- and from insurance companies that provide coverage. We have talked to governmental leaders in the states and in Congress. <u>And we have consulted with many wonderful health care experts -- like your own Lois Quam -- who generously shared her knowledge of health care reform, and particularly rural health issues, with us at the White House.</u>

From this ongoing, national dialogue, the President took the best ideas available and devised a plan that amounts to a uniquely American solution to an American problem. A solution that is realistic, politically and substantively.

In the end, what emerged was a reform initiative built around basic principles that will reshape our health care system to serve ordinary, hard-working people who now lack the security they deserve.

This is not to say there won't be disagreement over details. I'm sure there isn't absolute consensus in this room about how to improve our current system. But I am convinced that across the nation there is consensus about the core elements of reform -- elements we cannot afford to dilute, or weaken, or strip of their meaning.

And I think there is universal agreement that health care costs, which have mushroomed from $12 billion in 1950 to $900 billion today, threaten the personal and economic security that each of us wants so much to preserve.

<u>The first principle the President demands is security.</u> Every American should have health security no matter their personal circumstances. They should know they are entitled to health care even if they lose a job, switch jobs, get sick, or move to a different city.

Today, millions of hard-working Americans have no insurance or lack adequate coverage. In many cases, the policies don't pay for primary or preventive care. In other cases, the policy is canceled in the event of a serious illness.

[anecdote here about the New Orleans woman with a lump in her breast]

Under the new system, every American will receive a health security card that entitles them to a comprehensive package of benefits and guarantees them health care when they need it.

<u>The second absolute must is simplicity.</u> We need to stop wasting time trying to decipher impenetrable rules and regulations and forms and fine print. If Minnesota's motto is "Land of 10,000 Lakes," our health care system's motto now has become: "Land of 10,000 extra forms and regulations."

The fact is, our system is so convoluted that it isn't even a system. It's a hodge-podge that virtually nobody understands. So we have to make it simpler and more efficient and we will do that by creating one standard form that doesn't require a PhD to figure out.

<u>The third principle is choice.</u> More and more, the current system is limiting choice for consumers. Employers choose for most individuals, and they choose on the basis of cost. But with the President's Health Security Act, individuals will choose from among health plans in their region. They will decide whether they want to join an HMO, a PPO, a fee-for-service network or perhaps some other innovative system that will be developed in response to reform.

Fourth, savings must be a part of our new system. We now spend about 14 percent of our national income on health care. Canada is next highest, at about 9.4 percent. Our major industrial competitors, Japan and Germany, are between 8 and 9 percent. And if we sit idly by, afraid to take on the challenge of reform, we will be spending close to 20 percent by the year 2000 -- without assuring security, without assuring choice, without assuring primary and preventive care, without demanding more responsibility from our citizens.

Fifth, reform must preserve quality. That's a necessity. And we can accomplish it by collecting data and by comparing standards and outcomes.

Without quality standards, we will continue to see wild variations in prices, too many unnecessary procedures, too little emphasis on primary and preventive care, and too little consensus about the most appropriate treatments for many common illnesses.

[anecdote here about the opthamologist in Arkansas who performed the same procedure on two patients at different hospitals and their bills were $900 and $1,400 with no difference in the quality of treatment].

The sixth principle is responsibility. For the first time ever, we will insist that everyone pay their fair share in the health care system. Everybody must pay something because everybody must assume some responsibility for their health care. There will be no more free rides.

And I'm not just talking about individual citizens. Responsibility also applies to insurance companies, who will no longer be allowed to refuse coverage or bounce people once they get sick. Responsibility applies to drug companies, who will not get away with charging three times more for prescription drugs here in the United States than they charge overseas.

Responsibility applies to employers who don't cover their employees, thus driving up costs for employers who do. Responsibility applies to those who submit fraudulent bills, abuse the malpractice system, and engage in wanton profiteering at the expense of honest, hard-working citizens and health care providers.

The president's plan will put people's interests first by demanding responsibility and, for the first time, imposing criminal sanctions on businesses and firms that take advantage of the system.

Obviously, one of the most difficult challenges in any reform effort is determining the best way of financing health coverage.

We considered a single payor system, which I know is very popular among some of you here. But that would require raising taxes to replace private sector investments -- a gargantuan task that seemed unfeasible for a number of reasons. Still, the President's plan incorporates many strengths of a single payor approach -- universal coverage, administrative simplification, and provable savings.

We explored the possibility of requiring individuals to buy health insurance, and many members of Congress are enthusiastic about that form of financing. But there are some huge obstacles to overcome with individual mandates: How do you ensure that individuals will really go out and buy insurance? How do you prevent employers from suspending or eliminating coverage for employees? And how do you subsidize the growing number of people thrown into the marketplace?

The third approach was to build on the system we have -- an employer-employee based system in which everyone is responsible for contributing. That model allows us to achieve reform without compromising the core principles we must insist upon.

So what will this initiative mean for Minnesota?

First, let me say that many of your state innovations guided us in developing a plan for the nation.

For example, we know from Minnesota that health care reform cannot be accomplished overnight and must be built in stages.

We know from your forward-thinking health plans that emphasizing primary and preventive care leads to lower expenditures and significant savings.

We know from the Minnesota State Employees group -- and from AFSCME's leadership in this area -- that families can get better, more affordable health care by purchasing coverage through large groups.

We know from recent efforts in Willmar [pronounced Wil-mer] and Chisago City [cq] that integrated health care services can be established in rural areas. We know from the University of Minnesota Medical School at Duluth that, with the right incentives, medical students will go into primary care and practice in underserved areas. I understand that the University of Minnesota Medical School now ranks first in the nation in training primary care physicians and that more than half the graduates of the medical school this year opted for that form of practice.

And we know from the Mayo Clinic's pioneering use of telecommunications networks that there are exciting new ways of bringing high-quality medicine to rural areas -- and to the rest of the nation.

These are all important lessons for us nationally. But equally important, Minnesota also has demonstrated that the federal government -- too often -- has been an impediment to reform. And that's not the way it should work.

Let me assure you that the President's initiative will give you more flexibility to move forward with reforms that are appropriate for this state. For example, regional health alliances will create a mechanism for covering all citizens and will obviate the need to get waivers or changes in ERISA. [do we want to say this?]

Reform will benefit Minnesota in other ways as well. Thanks to the legislature's bipartisan efforts, Minnesota is further along than most other states in organizing integrated delivery systems and setting budget targets that will spur lower costs. That puts the state in a good position to adopt the national reforms quickly. If that happens, your citizens will be among the first to enjoy health care security, comprehensive benefits, and the other rewards that go with a simpler, more efficient system.

When, in a new century, our children and grandchildren look back on this effort, they will be able to judge whether we were willing to meet the test of history.

For 50 years now, the naysayers and cynics have won the battle. For 50 years, they have profited at the expense of hard-working citizens and dedicated health care professionals. And for 50 years, as the debate over health care has raged, the nation has stood still -- watching costs explode and forms proliferate, watching as doctors and nurses have become overwhelmed by paperwork and ordinary Americans have fretted more and more about their health care coverage.

By 1977, as we continued to spin our wheels, one of America's great leaders, Hubert Humphrey, sounded his own prophetic alarm: "We don't have any health protection program in this country. We have a sickness program. You have to get sick before you get anything. [We need . . .] a program on how to <u>prevent</u> disease. Otherwise, there will be no end to the costs of health care."

Hubert Humphrey was right when he spoke those words 16 years ago. And he would be right saying the same words today.

We can, and must, do better.

Here in Minnesota, you are proving that there are ways to encourage healthy behavior and prevent disease. You are proving that there are ways to cut costs and simultaneously offer security. You are proving that ordinary Americans appreciate the need for good health and are not going to be scared away by well-funded lobbyists and unfounded fears of change.

As a nation we must show the same resolve. We must not throw up our hands, not give up the fight, simply because the skeptics are loud and the obstacles great. We must seize the moment that history beckons us to take.

If Yitzhak Rabin and Yasser Arafat can shake hands on the South Lawn of the White House and agree to an historic peace . . . If Frederick de Klerk and Nelson Mandela can share a stage in Philadelphia on July 4 and talk about racial harmony and democracy . . . surely we Americans can overcome historical odds and agree on ways to improve our health care system.

With your help, we can achieve reforms that are compassionate, fair, and lasting. With your help, we can meet the test of history.

Thank you very much.

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The White House

Health Care Reform Today

September 17, 1993

◆ A great start to the dialogue on health care. The President and the First Lady, the Vice-President and Mrs. Gore listened to people put faces to the problems of health care. They heard from 15 of the more than 700,000 who wrote to the White House about the need for health care reform. The President said: "In the weeks and months ahead, health care will often be topic number one at dinner tables, at offices, at medical clinics, and in the halls of Congress. If you read some of these letters as I have, the picture very quickly becomes clear. Even the millions of Americans who enjoy health care coverage are afraid it won't be there for them next month or next year. They want us to take action to give them the security that all Americans deserve."

◆ Former Secretary of Health, Education and Welfare in the Eisenhower Administration, Dr. Arthur Flemming has expressed his strong support for President Clinton's health care reform proposal. He said: "The President has presented us with a historic opportunity, and we must seize the moment. Let us get a plan on the books and begin to learn from experience, instead of engaging in endless rhetoric. As a former U.S. Commissioner of Aging, I am particularly enthusiastic about the plan: because this proposal will mean a straightened Medicare program -- providing greater security and expanded benefits for older Americans. Under the President's proposal, older Americans will receive all the benefits they do today. In addition, Medicare will be expanded to cover prescription drug benefits, and there will be a new long-term care program to cover home- and community-based care. Nearly all Americans will still have to pay only 25% of the total cost of the Part B benefits they receive -- including the new drug benefit. Any increase in the premium will be consistent with the increase in benefits. Only the wealthiest Americans -- those people earning $100,000 or more -- will pay the full actuarial value of the benefits they receive. Finally, Medicare funds now being wasted to cover fraud and overcharges will be used to pay for these new benefits."

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 16, 1993

REMARKS BY THE FIRST LADY
AT THE CONGRESSIONAL BLACK CAUCUS

Capital Hill

2:00 A.M. EDT

MRS. CLINTON: Thank you. Thank you very much, Congressman Stokes, other distinguished members of Congress, and the Congressional Black Caucus. Many of you in this audience who are physicians and nurses and pharmacists and medical technicians and medical school deans and every other representative of the health care profession, it is a great privilege for my to be with you because, as Congressman Stokes has said, the Congressional Black Caucus is one of the first places I came when I began to visit here on Capital Hill to learn from our representatives and senators what they thought in terms of the crisis facing our country with respect to delivering quality health care, and what particular issues were of importance to various Americans that could not be overlooked if we were to come with a plan that was truly an American solution to an American problem.

And I have been very grateful for the assistance from the members of the Congressional Black Caucus and from so many of their staff members, both personal staff and committee staff. And I am also grateful for the assistance of many on this podium and in this audience who have worked very closely with the Health Care Task Force.

What I would like to do this afternoon is to talk about the basic principles underlining the President's health care plan, his commitment to them and the ways he has chosen to address them. As both Congressman Conyers and Congressman Scott pointed out, there is a significant level of support in the Congress for a single payer system that has been developed in legislation of which there are a number of co-sponsors. There are other bills that have been introduced in the Congress both this session and in previous sessions as members have searched to find ways that they thought would solve the problems that they saw.

This issue has been with us for many years. It goes back at least to the time when President Franklin Roosevelt was attempting to legislate Social Security. At that time, he also intended to legislate health security and could not achieve that political objective. But ever since the 1930s and every congressional session, bills have been introduced, and presidents since Franklin Roosevelt have attempted to deal with our health care problems. President Truman came forward with a plan. Under President Johnson we began to see Medicaid and Medicare. President Nixon introduced a health care reform plan. Other presidents, many members of Congress have struggled with this issue. And yet the problem has continued to develop.

We are at a unique moment in history, when there is a groundswell of desire on the part of Americans of all walks of life to do something about our health care system, and when there is a critical mass in the Congress, both Democrats and Republicans, who are finally willing to say, yes, let us hear the people and do something. But perhaps most importantly, we have a President who is

MORE

absolutely committed to getting that job done, and who is willing to put himself and his administration on the line.

Many people have asked me and asked my husband since we began this effort, why on Earth would you take this risk? Why particularly, would you put your wife in that position? I've asked him that, myself. (Laughter.) And he has always, without hesitation, said the same thing, and it's what I agree with absolutely -- how can one be President today, how can one be a member of Congress or a United States senator, how can one be a physician or a nurse or a businessperson or a mother or a father and not want to solve our health care problems once and for all? (Applause.)

There is no reason to be in public service today that is more important to the continuing stability, the well-being, the social fabric, the human quality of our country, and the kind of health care system we will establish and support for all of our people.

So to that end, the President believes strongly in the following principles, and although there will be many opportunities which will be welcomed, to sit down and work with not only members of the Congressional Black Caucus, but members of every caucus, of which there are many as I have learned up here, on both sides of the aisle, to hammer out the best possible solution.

But there are certain principles that cannot be negotiated over. And these are the ones the President believes in. Number one, we have to reach universal coverage as soon as it is possible to do so. Until all Americans are secure, no American is fully secure. Even those Americans who are currently insured -- and that includes most of the people in this room -- we cannot with any certainty know whether we will be insured to the same degree at the same cost next year at this time. We cannot because we cannot predict what will happen to us, know whether we will suffer some illness or accident, or a member of our family will which will totally change our insurance situation.

The upcoming debate over how we will provide universal coverage for every American is not just about insuring the uninsured, although that is the highest moral imperative. Those who have no access now whatsoever have to have a right to security. But the debate is also about the many millions who are currently insured, but without any certainty as to what their insurance will look like next year.

Every single month 2.25 million Americans lose their insurance -- 2.25 million. Now, some may only lose it for a week, some many lose if for three months, some may lose it for a year or more. But that number of Americans every month is rendered insecure. Well, first and foremost, every American must have health care coverage, and that coverage must be secure no matter who you work for, where you work, where you live, or whether you have ever been sick before. We will eliminate preexisting condition problems. We will eliminate portability problems. We will eliminate job lock. Every American because you are an American, not because you work for a big or small company, or live in Florida or North Dakota, you will be insured. (Applause.)

Now, the President believes that insurance should carry with it a guaranteed benefit package so that every American will have access to the same comprehensive benefits. And those benefits should include primary and preventive health care. We should reverse the bias against preventive health care and insure us against getting sicker by making it possible to get care earlier and solve problems. (Applause.)

The benefits package will include the kind of care that the insurance packages that most large companies offer to their employees. And it will include mental health benefits. It will include substance abuse benefits. But it cannot, starting where we are now, include everything that you and I would perhaps like to see. We will try to cover the dental care of children. We will not yet be able to reach -- to cover the dental care of adults. We will cover mental health benefits. We won't be able to go as far as I, and particularly Tipper Gore, would like to go, but we will establish the basic principle that a comprehensive benefits package must include those services that not only traditionally have been left out of insurance policies, but which we know will save us money if they are included.

We also believe that the comprehensive benefits package that is available has to be truly accessible. It will do very little good if we give every American a health security card -- (Side one of tape ends; Tape two begins) -- unless we take steps to ensure that every American has access to the care he or she needs when that occasion arises. So we will be looking to provide the kind of infrastructure in our public health and private health systems that will make the delivery of care available to every American.

It is very important that we think about how this new system that we want to see developed will look to the point of view of the patient or the provider, as many of you happen to be. Many of us in this room will be accused in the next months of being policy-wonks. I was in this committee room the other day and at least one member of the Congressional Black Caucus who is sitting up here drilled me with five of the most technical questions anybody has asked me ever. They were terrifically specific, tough questions that need to be answered. They were wonk questions, as we say.

But when we go out to talk to our friends and neighbors, when the members of Congress go home, what people are going to want to know is what does this do to me? How am I going to get to my doctor? How am I going to get the care that I need? And we have tried to build on the system that is most familiar to most Americans. Most Americans currently get their health care at their work place if they are insured. We intend to build on that. Most Americans sign up for a health insurance policy. We intend to expand on that, so that instead of your employer determining what policy you will have, the consumer will choose the policy that you wish to have. You will be the one making the choice among the health plans in your region.

It is similar to what we in the federal system currently have. Those in Congress and who work for the federal government are members of a big health alliance -- the Federal Health Benefits Group. And every year, those who are in the system get a list of what plans they should sign up for and then they make their choices. Some plans might cost a little bit more or a little bit less. Your doctor may be in one instead of the other. Your doctor may change from year to year so you can follow him from place to place. But you make the choice. That's what we want for every American.

As it currently stands now, most employers who provide insurance make that choice for the employees. And increasingly because of the pressure on costs, the choices have become more and more limited. So we intend to preserve choice in health plans. And contrary to some of the ads that are currently running, that is one of the major features of this health care plan.

In addition, we believe you can control costs in the health care system. Those of you who are in it know that better than the rest of us. Controlling those costs will take some changes in behavior and some different ways of doing things, but there are so many examples that I could recite that I've heard or that you could recite back to me. There are examples in the Medicare and Medicaid system, and there are examples in the private insurance system. We know what they are. We see them all the time.

If any of you saw the television program this morning where we took some of the 700,000 letters that have been written to the White House about health care concerns and picked out some representative ones and people read their letters, you remember the woman who said she went in for the knee operation and she got the bill from the hospital and they had charged her $2,400 for a pair of crutches. And she called up her insurance company and her insurance company said, "Oh, don't worry about it. We already paid it." She called up the hospital and they said, "It's too much trouble. We already paid it." And as this woman said, "Was the decimal in the wrong place? Was $2,400 paid for a pair of crutches, but it was just too much of a bureaucratic paperwork hassle to get to the bottom of it because there's so much money coming into this system all the time that we just keep paying the bills and pushing it out the other side.

And the reverse of that is that people who make decisions about caring for patients are having their decisions second-guessed all the time. It's gotten so that many doctors I know feel like every time they want to order a blood test or some other diagnostic procedure, they need to pick up the phone and call some 800 number to some insurance office to ask permission of whoever it is that answers the phone. And there's been some research done recently that people who are the other end of those phones, bless their hearts, they're are clerical employees, no medical training -- they pull out a chart and they say, "Let's see, now. You're in St. Louis and you want to do a blood test? Well, I don't know. We're not sure we can do that."

I mean, that's the system that we currently have. Anytime anybody tells you that the changes we want to put into place are going to create bureaucracy and regulations, say, give me a break. We have the most bureaucratic system in the entire world that is wasting billions and billions of dollars. (Applause.)

Now, there are savings to be had, and I know that some people are concerned about where those savings will come from. But we believe there are savings in both the Medicare and Medicaid systems and in the private insurance system, without undermining the quality of care or the accessibility to care. But we will never get to those savings if we don't start to think differently about how to better organize and deliver care to all people.

Additionally, we have to finance this system fairly. And we have fought long and hard about that. One of the features of HR-1200 that Congressman Conyers and Congressman Spratt referred to would be to have some kind of broad-based tax that would fund government financed health care. That is a way of doing it. Everybody participates, everybody pays the same taxes.

The President believes that if we build on the existing premium system and we control the cost of premiums, and we provide discounts to small businesses and low-wage individuals, we will come up with a fair financing system without transferring the entire burden from the private sector to the government. That's a difference in approach that we have with the single-payor approach, but we're all trying to get to the same place: Fair financing; everybody pays; everybody is responsible; and a health care system that is, therefore, fairly funded to take care of everyone.

In addition, we think we've got to ensure quality. All of this is to enhance quality. There's no point in reforming our health care system if we don't enhance quality. We want report cards on health plans. We want health plans to start reporting information so that U.S. consumers can make good judgments. And more than that, we want providers to get back into making those decisions about what is or is not appropriate care, not the bureaucrat in the insurance companies.

Pennsylvania, for example, has been collecting data on a number of operations for a number of years. I knew nothing about this when I started, and I've been fascinated at how some states and local governments have tried to figure out what actually certain kinds of medical care costs within the same general jurisdiction. In Pennsylvania, for example, a coronary bypass might cost $20,000 in one hospital or $80,000 in another hospital.

Pennsylvania has gone a step further. It's looked at quality outcomes. Do the people who get the $80,000 operation get better faster? Are they back on their feet sooner? The answer is no. But very often, high prices don't equate with good quality. They may not make a difference at all. Too often in our own mentality people go to the doctor who's got the fanciest office because they think that's the best quality doctor. Or the one who drives the biggest car.

What we need to do is to translate good quality information into a format where average folks like you and me can understand it so we can make better choices. And we need to keep track of quality indicators -- Is a certain kind of procedure working or not working? -- so that doctors can make decisions based on what they know exuded in good research.

These kinds of principles about security and savings and simplifying this system and ensuring quality and providing choice among health plans and providers, and making sure that we finance it thoroughly and everyone is responsible -- those are the bedrock principles of what any reform health care plan has to achieve. Now, are there various routes to get there? Yes, there are. People have proposed different kinds of approaches. And part of what the next couple of months of debate will be about is getting down into the hard work of determining how any particular approach would actually work and whether it's an approach that would be politically feasible in the United States Congress or in the nation at large.

But if we continue to stress the principles -- and even beyond the principles, if we keep in our minds the pictures of the hundreds and thousands of people who need us to make these changes, I am confident we can work out the details. Once we agree on the principles, we can work out the details. And I think we are, as a nation and within this body of Congress, moving toward agreement on the principles.

I want to compliment the Senate Republicans for the proposal they put forward yesterday. They, too, talk about reaching universal coverage. They, too, talk about a benefits package. They, too, have a mandatory way of financing it. They choose to go through an individual mandate with a subsidy for poor people. We don't think that's the best way, but there's room for conversation back and forth. We are at least all in the same ballpark.

You know, in the last week or two I've gone back and I've read some of the editorials and some of the writings that faced us when Franklin Roosevelt introduced Social Security. And I've gone back and read what was said when Medicare was proposed. My goodness, the end of the world was upon us. (Laughter.) There was no way this great country would survive if we did something as radical as Social Security. And, oh, heavens to Betsy, there's no way the medical system would survive if older people had access to medical care through Medicare.

We're always going to have the naysayers. We're always going to have the destroyers instead of the builders. We're always going to have the people who are profiting by the current system and don't want to see any changes in it. But those people are becoming an increasingly minor note in this whole symphony about change. (Applause.)

What we have to do together is what I'm reminded of when I look over and see our friend, Marie Constance Webber, one of the Faces of Hope that we were privileged to meet along the campaign trail. What we have to do together is to not lose hope that this will be accomplished. To stick to the principles that we believe in and to hammer out the details together. To raise all the hard questions among friends that we have to raise to make sure that what we do will work. That's the most important objective. Will it work? Is it right? Can we make it happen? And if we do that, and if we approach this debate in that spirit, there will be no turning back the tide of change.

It is one of the most unique moments in history -- and we had another one just at the beginning of this week. I have to confess, as I sat there at the ceremony at the White House watching those two men who represent such ancient enemies commit themselves to working toward peace, overcoming hatred and division, and even shaking hands, that I thought to myself if that is possible, then health care reform is a cake walk. (Applause.)

But we cannot get there without your counsel, your constructive criticism, your outreached hands, your heart, your help. And then when we do accomplish what we have set out to do, to ensure that no American ever again will be left out because of their inability to afford health care in this country, we will have such a sense of accomplishment, because we will have taken one step more toward making this country what it ought to be.

Thank you all very much. (Applause.)

END

9.17.93

David E. Bonior

NAFTA: Exporting U.S. Jobs

Mexican wages have indeed become a major factor in American politics, as noted in "NAFTA and Mexican Wages" [editorial, Sept. 7]. It is precisely these low wages—combined with poor enforcement of environmental, health and safety standards in Mexico—that will cause American jobs to rush south of the border if NAFTA is ratified. American workers are the best in the world, but NAFTA asks them to compete with a deck that is stacked against them.

A debate has been brewing in The Post and elsewhere about whether wages in Mexico are high enough—or heading consistently enough in the right direction—to make Mexico an effective partner in a North American economic merger. No matter how you look at it, the answer is an emphatic no.

I stand by my original statement, where the whole debate began. I said on "Meet the Press" recently that wages in Mexico have declined by 25 percent since 1979 in spite of rising productivity in manufacturing facilities there. My

Taking Exception

statement was drawn from research done by Prof. Harley Shaiken of the University of California at San Diego. He is a leading scholar on Mexico's industrial transformation.

In fact, Shaiken was rather conservative in his published findings. Other statistics—compiled by the Mexican government's National Institute of Statistics, Geography and Informatics—show average compensation for manufacturing production workers has declined by 32 percent since 1979 [Free for All, Sept. 11].

Moreover, Shaiken is not alone in the conclusion that wages and benefits have declined in Mexico. The U.S. Bureau of Labor Statistics produced a report last month that also showed a decline of 32 percent between 1979 and 1992.

Even statistics compiled by the Bank of Mexico and Mexico's National Commission on Minimum Wage—institutions that would like to produce good news about wages in Mexico—show the buying power of the minimum wage fell by a dramatic 67 percent between 1976 and 1992.

In the face of all this evidence, The Post follows syndicated columnist Robert Novak's lead in citing a different, albeit technically correct, statistic. If you use 1987 as a base year, Mexican wages have risen 13.9 percent through 1992. But that statistic is an unusually weak foundation on which to build an argument.

First, 1987 is misleading as a base year. It is the trough year of Mexico's economic crisis, when wages and benefits had reached record lows. Wages had nowhere to go but up.

Second, there is absolutely no guarantee that this tiny blip of an increase represents a structural trend. Even if Mexican wages continued to increase at this rate, they wouldn't climb back to the 1979 level until the year 2007. And it would be decades more before they reached U.S. levels.

Third, a 13.9 percent increase in what amounted to a slave wage in 1987 does not a good wage make. As The Post's own editorial noted, average manufacturing compensation (wages plus benefits) in Mexico remains only 15 percent of manufacturing compensation in the United States. In other words, Mexican workers still earn only 15 cents for every dollar earned by U.S. workers.

Some Washington journalists, columnists, pundits and economists debate the statistics without giving a second thought to the impact they have on real workers, in real factories, where real sweat and toil make our economy go. The claim that exports to Mexico have nearly tripled since 1987 is another case in point.

According to Mexico's own data, capital goods—manufacturing plants and equipment—accounted for 24 percent of U.S. exports to Mexico in 1992. Intermediate goods—parts used to make final products that are then shipped back to the United States—accounted for 61 percent. Only 15 percent of exports to Mexico were finished consumer goods. What we are exporting to Mexico is our factories—and our jobs.

Rather than reversing this trend, NAFTA rolls out the red carpet for multinationals who want to move to Mexico. That's why NAFTA must be defeated.

The writer, a Democratic representative from Michigan, is House majority whip.

Bill Daley
Michael Waldman

What's the answer to this—

Rubin

THE PRESIDENT HAS SEEN
9.17.93

Fed Fears a Market Bubble If It Lowers Interest Rates

By STEVEN GREENHOUSE

Special to The New York Times

WASHINGTON, Sept. 15 — Seeking to forestall pressures to cut interest rates to lift the still-sluggish economy, several Federal Reserve officials have put forward a new — and surprising — reason why it would be unwise to lower rates: It could encourage a speculative bubble in stocks and bonds.

In interviews this week, two central bank officials voiced fears that lower rates could cause runaway investment that would push financial markets to unjustifiable levels, setting the stage for an inevitable plunge.

David W. Mullins Jr., the Federal Reserve's vice chairman, and Lawrence B. Lindsey, a Fed governor, suggested that the central bank needed to help prevent a replay of Japan's speculative bubble and subsequent slump. In the late 1980's, low interest rates there fueled a huge rise in stock and real estate prices. When that bubble burst, Japan slid into its current deep slump.

Mr. Mullins said, "That's one reason to be wary of being more accommodative," that is to say, of cutting rates further.

Mr. Mullins, who is widely viewed as the Fed's most influential member after its chairman, Alan Greenspan, was quick to add that America's near-record stock and bond prices did not now appear to be inflated. In his view, stock and bond levels are consistent with the recent decline in inflation and the prospect of moderate economic growth.

Lower inflation pushes up the bond market by making a fixed-income investment more valuable, and it also helps drive up stock prices for several reasons: for instance, it increases the chances of higher corporate profits and it encourages bank depositors to shift their money into the stock market.

Nonetheless, Mr. Mullins said, "Some people are concerned about the possibility that excess liquidity will create imbalance, such as a bubble in asset prices."

The concern at the Fed seems to be that strong growth in some measures of the money supply, fueled in part by the lowest interest rates in two decades, could create speculative frenzy.

Early last year, many economists urged the Fed to cut rates to spur the economy. Long-term interest rates have, indeed, come down sharply since then, but the Federal Reserve has not adjusted short-term rates since Sept. 4, 1992, making it one of the longest periods that the Fed has left rates unchanged. The pressures on the Fed to cut rates largely abated last winter when economic growth picked up.

But with growth at a meager 1.3 percent in the first half and inflation slowing in recent months, a growing number of economists, including Paul Samuelson of the Massachusetts Institute of Technology, are again urging the Federal Reserve to cut its short-term rates.

Although Administration officials would probably like the Fed to lower rates, they have not put pressure on the central bank, knowing that their pleas would be ignored.

Fed Seems Unfazed

Although long-term rates shot up this week on Tuesday's report that consumer prices rose by three-tenths of 1 percent last month — slightly more than expected — Federal Reserve officials hardly seemed fazed.

"It's statistically in line with recent experience," Mr. Lindsey said. "It isn't bad, but it could be better."

The central bankers disputed the President's economic advisers, who warned this week against raising rates any time soon in light of the recent slowdown in growth and inflation.

Speaking about the current short-term interest rates of 3 percent, Mr. Lindsey said, "I'd call them accommodative." In his view, rates are low enough to support steady growth.

Echoing Mr. Greenspan's Congressional testimony in July, Mr. Mullins and Mr. Lindsey seemed to lay the groundwork for a rate increase, not tomorrow or the next week, but in coming months.

In the Bully Pulpit

When price increase suddenly picked up last winter, Mr. Lindsey used his bully pulpit to warn that the Fed would not let inflationary expectations get out of hand. This week, however, Mr. Lindsey appeared in no rush to raise rates because inflation has simmered down since last winter and growth remains lackluster.

The tenor of Mr. Mullins's remarks was that an interest rate increase was inevitable, but probably not soon. He cautioned that real short-term interest rates — the interest rate minus the inflation rate — have been at zero or negative in recent months.

At such times in the past, "the results haven't been pleasant at all," he said. "That happened in the 1970's, and was followed by a period of rapid inflation."

In an interview this week, Alan Blinder, a member of the President's Council of Economic Advisers, said there was no need for the Fed to consider raising rates. Speaking about real interest rates, he said, "I think you can stay pretty near zero for a long period of time. Zero short-term rates are not historically aberrant."

Surprise at Fed Case

Other economists expressed surprise at the case the Fed officials were making for higher rates. David M. Jones, chief economist for Aubrey G. Lanston & Company, a New York brokerage firm, said he was surprised that Fed officials were so concerned that low rates could produce a speculative boom. He said low rates were helping to achieve one of the Fed's main goals: strengthening bank and corporate balance sheets.

Last May, the Federal Reserve's main policy-making committee effectively voted to raise rates if inflation did not simmer down. But with inflation down appreciably over the last six months, some economists predict that at its meeting next Tuesday, the committee will adopt a neutral stance, meaning it won't raise or lower rates any time soon. Some economists argue that it will maintain a bias toward higher rates mainly to show it will hang tough against inflation.

Rubin — Fed's looking for excuse to slow growth — isn't yours?

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9.17.93

JUDY MANN

Where Was the Passion?

How do you make a woman feel passionately about raising the ceiling on the Earned Income Tax Credit?

Or passing the Family and Medical Leave Act?

Congress enacted both of these measures this year, and both will go a long way toward giving women two things they desperately want: more flexibility in managing work and family obligations and more disposable income. Yet neither of these measures had the grass-roots support it deserved.

The EITC is a supplementary payment the federal government makes to families who are considered members of the "working poor." In 1991, when the ceiling for qualifying for the EITC was an annual income of $21,250, the median income of working mothers who were the heads of their households was only $13,012. The National Women's Law Center has estimated that about 70 percent of the program's benefits go to women and children. Clearly, working women have much to gain from any expansion of the program, just as they do from laws requiring employers to give time off to workers to care for seriously ill family members. The women's movement and its core of Washington lobbyists worked hard for both measures. Yet the millions of women who stood to benefit did not make the connection between the legislative battle in Washington and their personal lives. Why not?

Women's advocates have blamed the media for failing to take family issues seriously and informing voters about them. It's a criticism that has merit. But Linda Tarr-Whelan, president of the Center for Policy Alternatives, a progressive think tank, believes that the women's movement has to start reframing issues so women can understand that reforms like these can actually change their lives. She tips her hat to the right wing, which has done a better job of connecting policy with passion.

"They do it in terms of fear," she says. "The argument is couched in terms of what will you do if you don't have this policy? The right wing does a spectacular job of connecting it up for you. . . . Sex education in the school is very graphically described. You feel like it relates to your child, your family. We kind of intellectualize. It doesn't connect with the same power."

Last fall, Tarr-Whelan's organization and the Ms. Foundation sponsored a bipartisan research project to find out what was on women's minds. They surveyed 1,400 women and 200 men and held six focus groups, which Tarr-Whelan observed. "The Women's Voices Project changed my life," she says. Watching the focus groups, she discovered that women of all races and classes see themselves as people who combine work and family and who have a specific set of economic issues that are central to their well-being.

In the summer issue of Social Policy, a quarterly journal published by the Union Institute, Tarr-Whelan wrote: "We asked about family and got answers about economic well-being; we asked questions about economic well-being and got answers about family. The two, we found, are tightly intertwined." Asked to pick top priorities for government, three-quarters or more of the respondents picked guaranteed health care, equal pay and anti-discrimination laws. Keeping abortion legal was cited by only 53 percent.

"We've been organizing around the periphery," Tarr-Whalen said. "We haven't connected it to what women are really worried about. Seventy-four percent of the women felt the country would be better off if half of all our leaders were women. Women are looking to women to lead and to make a difference and help them connect so they can make a difference."

She illustrates her point by recalling the legislative battle over raising the ceiling for the Earned Income Tax Credit. "It was sold as a poverty issue and very few women think of themselves as poor."

Tarr-Whelan wants leaders of the women's movement to set an agenda that will emphasize economics. She points out that forecasters are predicting women will constitute the majority of the work force by the year 2000. The Women Business Owners Foundation is predicting that more Americans will be working for women-owned businesses by the end of this year than will be working for Fortune 500 companies. Women are vital to economic growth.

This new agenda for women should not be cast in the context of women as powerless victims. The last election demonstrated the power of the women's vote. What the women's movement needs to do, in Tarr-Whelan's words, is to focus on "economics as if women counted," and on winning economic equality.

That is something we can all feel passionate about.

Ginger / GS et al
we still need to push this more

FRIDAY, SEPTEMBER 17, 1993 THE WASHINGTON POST

get more credit — I have an idea we should discuss —

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FAMILIES USA SPECIAL REPORT

FIVE DOLLARS

CS

should be given to writer for speech prep-

LOSING HEALTH INSURANCE

ENT HAS SEEN 9/17/93

orig to George FW

TWO MILLION AMERICANS EACH MONTH

Washington Wire

A Special Weekly Report From The Wall Street Journal's Capital Bureau

A1

MOST AMERICANS WANT Congress to cooperate with Clinton.

A new Wall Street Journal/NBC News poll buttresses the president as he seeks to rally congressional support. The poll shows that, despite some reservations about his agenda, Americans by a 52%-to-38% margin say they would favor a candidate who backs Clinton on the economy, health and Nafta over one who opposes him.

The message is "do something — get something done — saying 'no' is not enough," says Democratic pollster Peter Hart, who conducted the Journal/NBC survey with GOP pollster Robert Teeter. Americans remain disdainful of Congress; by 65% to 24%, they disapprove of the job Congress is doing. Only 37% believe their own representative deserves re-election, while 47% say it is time to give a new person a chance. Still, that is an improvement from July.

By a margin of 32% to 29%, Americans currently expect to vote for the Democratic rather than GOP congressional candidate next year.

PEROT'S STANDING slips even as his issues gain strength.

The Journal/NBC poll shows the number of Americans who view him favorably is down to 36% — from 47% six months ago — while 35% now view him negatively. The poll shows that while 48% believe Perot thinks Nafta is genuinely bad for the country, 39% think his motivation is simply political.

THE WALL STREET JOURNAL/ *NBC NEWS* POLL

But he still edges Dole in a three-way presidential race, though Clinton runs more than 10 points ahead of both. Perot's arguments against the free-trade pact are clearly resonating; his strategists boast that his anti-Nafta book will show up on paperback bestseller lists this weekend. He heads for an anti-Nafta rally tomorrow in Lansing, Mich., and aides say he will devote 95% of his time in the coming weeks to the battle.

CONSUMERS' OUTLOOKS brighten some, but long-run worries deepen.

While Americans believe by 49% to 33% that the nation is on the wrong track, that is actually an improvement from July's 55%-27%. One in four now expect the economy to get better over the next year; the same fraction expect it to worsen. In June and July, pessimists outnumbered optimists by nine percentage points.

"Consumer spending is gaining strength," says economist Paul McCulley of UBS Securities. With mortgage rates low, 73% say it is a good time to buy a house, up from 62% a year ago. But only 25% are confident that life for their children will be better than it is for them, down from 41% just after the election. Westerners are least confident, probably a reflection of California's economic woes.

Three-quarters say Clinton's economic plan will raise their income taxes. In fact, fewer than 10% will pay more, including Social Security retirees.

CLINTON'S TASK in selling Nafta is to convince Americans that more jobs will be gained than lost. The poll shows that if he could convince Americans of a net job gain, they would back the accord by 69% to 21%. Clinton has increased his planned attention to Nafta over the next month, though it will still take up less of his time than health.

HILLARY AND LARRY: Hillary Rodham Clinton, moving to center stage to promote the president's health-care plan, is slated to appear on Larry King's first Saturday night TV show early next month. In the new poll, the first lady still has a positive rating of 46% to 30% but has slipped behind her husband's rating.

TAX CONCERNS haven't increased significantly since passage of Clinton's tax boost, the poll shows. Only 11% rate taxes as the nation's biggest economic problem, compared with 10% in July. Unemployment remains the No. 1 concern, at 40%.

REINVENTING GOVERNMENT strikes a resonant note. In the poll, a 37% plurality say making government more efficient should be the top priority of the administration and Congress this fall, compared with 33% for health care. Only 5% say Nafta. By 55% to 36% they say the revising-government effort led by Gore is genuine.

CLINTON FACES a skeptical public on committing U.S. troops abroad.

By 52% to 42%, Americans in the poll say the military should only be used when national interests are at stake, not for humanitarian purposes; they also believe, by 52% to 36%, that the country is "too deeply involved in Somalia." While 58% would back air strikes on Serbian targets in Bosnia, 59% to 36% oppose U.S. ground troops for peacekeeping there if the troops could be subjected to sniper fire.

To make a possible Bosnian deployment of U.S. troops go down a little easier, the U.S. considers ways to limit the financial cost. One idea would be to pay for any deployment not through the U.N., where the U.S. would bear 30% of the cost, but through NATO, where the U.S. share might be lower.

Internal Pentagon figures put the cost of sending 25,000 troops to Bosnia for two years at $2.5 billion to $3 billion.

MINOR MEMOS: Take me out to the gridiron? Only 9% of Americans are sad the baseball season is nearing its end, while 31% are glad football is getting under way. But 53% don't care either way. . . . Among the different groups polled, only blacks think the Israeli-Palestinian peace deal will work.

—Rich Jaroslovsky

Milken Plans to Appear With Black Caucus Panel

By a Wall Street Journal *Staff Reporter*

WASHINGTON—Michael Milken, the former junk-bond king who went to prison for securities-law violations, plans to appear before the Congressional Black Caucus today to talk about what he knows best: how to raise money.

Mr. Milken will appear on a panel to discuss ways to increase investment in inner city and poor areas. The panel is one of many being sponsored by the Black Caucus as part of its annual conference on legislative issues.

Rep. Maxine Waters (D., Calif.) invited Mr. Milken because of his knowledge of finance and his interest in helping distressed communities. Mr. Milken, who is chairman of the Milken Institute for Job and Capital Formation, has supported various programs at schools in Rep. Waters's Los Angeles district. "He wants to share what he knows about how the world works," a Waters aide said.

Mr. Milken was released from prison early this year after serving 22 months and paying a $200 million fine. He must perform three years of community service to complete his sentence.

"I believe in rehabilitation," Rep. Waters said.

THE PRESIDENT HAS SEEN
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THE WALL STREET JOURNAL FRIDAY, SEPTEMBER 17, 1993

New Women Lawmakers, Murray and Meek, Seek Change in Congress, Each in Her Own Way

By DAVID ROGERS
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Sen. Patty Murray is a self-styled "mom in tennis shoes" from suburban Seattle. Rep. Carrie Meek, a former track star representing Miami's black neighborhoods, is better described as a grandmother in cleats.

Elected last fall from opposite corners of the nation, the two women symbolized revolt at the ballot box, as women and minorities won unprecedented power in Washington. Now, nearly a year later, they represent a second, more incremental uprising, as each tries to translate her power into real change in Congress.

There have been moments of disillusionment, as when the guileless Sen. Murray learned she had been bamboozled into backing a spending bill that increased military funding at the expense of domestic programs.


Sen. Patty Murray

And there has been anger. Rep. Meek, her shoulders heaving with emotion, had to be restrained during a bitter June debate when conservative Republican Rep. Henry Hyde of Illinois suggested that abortions were being foisted on unwitting blacks as a means of improving "the breed."

Yet amid these setbacks, the male-dominated Capitol — and the Appropriations Committees on which the two women serve — will never be the same. As a rule, this new class of Democratic women has proven more willing than male freshmen to take risks to advance President Clinton's economic agenda. Like all newcomers these women lawmakers represent a work in progress, although Rep. Meek and Sen. Murray have already left their mark on issues ranging from abortion rights to minority contracts. Moreover, by their very presence and language, they bring a new perspective to debate.

Who but Ms. Murray, a former PTA president, could better disarm conservative critics of using community development funds to build public swimming pools? Who but Ms. Meek could lecture her fellow Democrats with folk wisdom learned as a sharecropper's daughter? "It's a strange frog that won't praise his own pond," she told the party caucus before votes on the administration's budget. "Instead of all you out there going your separate ways, you should all jump in the pond and croak together."

Taking the Place by Storm

The only freshman Democrat named to the House Appropriations Committee, Rep. Meek, a former Florida legislator, has quite simply taken the place by storm. Her race, gender and age—67—make her a triple threat; she has emerged as an indomitable matriarch, unyielding to men and savvy to their political wiles.

"She is very able at seeing the whole picture," says Dempsey Barron, state Senate president during Ms. Meek's years in Tallahassee and a veteran of the "Pork Chop Gang," the rural old-boy bloc that long dominated the state legislature. "She's just my kind of politician. She's going to be heard from."

Ms. Meek has divorced—and outlived—two husbands, and delights in giving Capitol doorkeepers coronaries by jumping off the back-row risers on the House floor. Most important, she understands power—particularly the mindset of an aged, largely Southern white Appropriations leadership that finds itself increasingly isolated in the House.

"It's like throwing a rabbit in the briar patch, because I understand the way they think," she says. "I see mostly white males, I see very few females. But I see people who have really worked hard here in Congress to get where they are and now have power. And I respect that power." With a certain poignancy, she identifies with the steely patience of Chairman William Natcher, the 84-year-old Kentuckian who only took over the panel last winter.

But there is a toughness as well. When Democratic Rep. W.G. (Bill) Hefner of North Carolina, one of the committee "cardinals," suggested Washington is spending too much for Radio Marti broadcasts to Cuba—a popular program in Miami—Ms. Meek shot back scornfully in his own country music idiom: "You aren't dealing with a radio station that only plays 'Achy, Breaky Heart.' "

Last winter, when the Democratic leadership seemed bent on curbing the committee's strength, Ms. Meek preached defiance — and delivered precious votes from the black caucus. "I just got here," she says. "I certainly don't want the strength diluted after I finally made it after 125 years."

Her performance won the hearts of the committee leadership but set her apart from the broader budget-cutting, reform agenda associated with last year's election. This is one newcomer who takes to the floor to praise the Army Corps of Engineers and tree-planting programs ridiculed by others. Like many minority legislators with poor constituents, she balks at giving up political action committee contributions. And after laboring to strengthen minority employment in the Energy Department's costly superconducting super collider, she was dismayed as her classmates helped kill funding for the entire project.

Sen. Murray, 42, cuts a quieter path—but one not without its own obstacles. "Gentlemen, let's go vote," says Appropriations Chairman Robert Byrd of West Virginia, ignoring her presence a few feet away at a committee meeting.

From her seat at the end of the long Appropriations table, Ms. Murray admits to a certain hesitancy, even awe, at her position. "That room is clearly overwhelming. . . . It is like a church," she says. Yet in the next breath, she dares to dissect the enigmatic Chairman Byrd as a "teddy bear person" still struggling with a tough childhood.

Low-Key Deliberativeness

She's happy not being one of the boys. "I ran as a woman, as a mom, as who I am, because I wanted to be able to be who I am," she says. "Women can be women and be very successful."

Low-key deliberativeness is her trademark — and a posture well-suited to the Senate. Like Ms. Meek, Ms. Murray can seem flustered still by her new position, yet when other Western Democrats abandoned the administration this week under pressure from ranching interests, she and her friend, California Sen. Barbara Boxer, stood alone in the region against a moratorium on higher grazing fees.

Within Appropriations, Ms. Murray won her seat ahead of her more senior colleague, the often imperious California Sen. Dianne Feinstein. And Oregon Sen. Mark Hatfield, the ranking Republican on the panel, has embraced Ms. Murray with a warmth rarely seen in his relations with her wealthy Republican counterpart, Sen. Slade Gorton of Washington state.


Rep. Carrie Meek

The Hatfield-Murray alliance was crucial in securing funds for Clinton administration initiatives for the troubled Pacific Northwest timber industry.

"It takes one individual who can absolutely dog the thing until it is done," she says. While pleased with her success, it only proved what she sees as the needless mystification of Washington, including the appropriations process. Lawmakers, she argues, only alienate voters by creating the illusion that government is too complex to be understood.

"In every role I've ever held, whether it's president of the PTA or running a preschool or being in the state Senate, I knew that where you could really impact policy is in the committee that decides where the money is going to go," Ms. Murray says. "The way to make this process work better is to make it understandable. . . . If you make it relate to [people's] personal lives, then they'll start wanting to be part of the process.

"Instead of this 'I hate government,' it'll be, 'We're all part of this . . . let's make this work.' "

Howard

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THE WALL STREET JOURNAL FRIDAY, SEPTEMBER 17, 1993

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THE WALL STREET JOURNAL FRIDAY, SEPTEMBER 17, 1993

Signal Needed

I want to say to my fellow Americans, when you live in a time of change, the only way to recover your security and to broaden your horizons is to adapt to the change, to embrace it, to move forward. Nothing we do, nothing we do in this great capital can change the fact that factories or information can flash across the world, that people can move money around in the blink of an eye. Nothing can change the fact that technology can be adopted, once created, by people all across the world and then rapidly adapted in new and different ways by people who have a little different take on the way that technology works.

For two decades, the winds of global competition have made these things clear to any American with eyes to see. The only way we can recover the fortunes of the middle class in this country so that people who work harder and smarter can at least prosper more, the only way we can pass on the American dream of the past 40 years to our children and their children for the next 40 is to adapt to the changes that are occurring.

In a fundamental sense, this debate about Nafta is a debate about whether we will embrace these changes and create the jobs of tomorrow or try to resist these changes, hoping we can preserve the economic structures of yesterday. I tell you, my fellow Americans, that if we learn anything from the collapse of the Berlin Wall and the fall of the governments in Eastern Europe, even a totally controlled society cannot resist the winds of change that economics, and technology, and information flow have imposed in this world of ours. That is not an option. Our only realistic option is to embrace these changes and create the jobs of tomorrow.

President Bill Clinton
Sept. 14, 1993

It has been inspiring this week to watch President Clinton seize the lead in the fight for ratification of the North American Free Trade Agreement. His statement at the signing ceremony for the side agreements, quoted above, eloquently and succinctly put the main issue before the nation: Will it look forward and lead, or look backward and stagnate? He made this statement in the company of Presidents Bush, Ford and Carter, and supported on these pages in the last week by President Reagan, as well as Senator Bill Bradley, one of the most serious and public spirited members of his own party. On this issue the division is not between Republicans and Democrats, but between optimists and pessimists, between an open view of the future and a crabbed one.

This opportunity to support Mr. Clinton has been particularly comforting for those of us who have opposed so much of what he has done since taking office. We have only one President at a time, and all Americans must wish him well. For all this, unhappily, there remains the question of whether the President will stay the course. His programs have not always followed his rhetoric, and his administration obviously suffers divided counsel on the issue. So there is a lingering suspicion that he may support the agreement with words and undercut it with actions.

This suspicion feeds the Republican backsliding Paul Gigot dissects alongside. It's not fair to blame Mr. Clinton, of course, for the crabbiness of Pat Buchanan or Ross Perot. And Republicans deserve what they will get if they can't figure out that today's electorate above all wants politicians to stand up for what they believe, and that protectionism is the fool's gold of American politics, losing every time it's actually been taken to the polling booth. Still, by virtue of his office the President is the leader of the Nafta effort, and no one responds to an uncertain trumpet.

The biggest thing President Clinton could do to still these doubts would be to reverse the biggest action he has taken to stir them. He has agreed to appear at a fund-raiser for Nafta's most outspoken opponent on Capitol Hill, Senator Don Riegle of Michigan. The Clinton embrace of the Keating-Five Senator is scheduled for Oct. 18, a month to the day after tomorrow's Riegle-fest by Ross Perot, the erstwhile opponent of a morally corrupt Beltway establishment.

Dennis DeConcini, the other ringleader in the effort to protect S&L crook Charley Keating from federal regulators, was hounded from politics yesterday, announcing he will not run in 1994 as polls showed him 20 points down. Mr. Riegle is encouraged that his polls have improved upon starting to demagog Nafta. We hope that every member of United We Stand reads the accompanying excerpts from the report to the Senate Ethics Committee. In embracing Mr. Riegle, Mr. Perot does not have Mr. Clinton's excuse of party loyalty.

Still, how can any Democratic Congressman conclude the President is serious about Nafta when he raises money for Senator Riegle. Especially so since Mr. Riegle is demagoging not only the treaty but its administration supporters, suggesting during a Finance Committee hearing this week that Secretary of State Warren Christopher had a conflict of interest because his law firm had represented Mexico.

President Clinton would do his party a favor if he could persuade Senator Riegle to follow Senator DeConcini's lead and get out of the way so a clean Democrat could run. And he could probably ensure the passage of Nafta simply by canceling his October 18 trip to Detroit.

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Prestowitz Shifts to Support of Nafta, Reconsiders Predictions of Job Losses

By Bob Davis
Staff Reporter of The Wall Street Journal

WASHINGTON – Clyde Prestowitz, whose prominent trade think tank was one of the few predicting a big job loss from the North American Free Trade Agreement, now says those numbers may be wrong and the pact should be ratified.

Late last fall, Mr. Prestowitz's Economic Strategy Institute, predicted that Nafta would lead to a loss of between 32,000 and 220,000 jobs in the year 2002. In addition, the think tank calculated that Nafta would worsen the U.S. trade balance by between $1.3 billion and $8.8 billion.

Now, Mr. Prestowitz said, "I think in the long-run, [Nafta] will be a plus." The reason for the reversal: He figures that more U.S. companies will shut down branches in Mexico and return home. If U.S. companies can export to Mexico without tariffs, he reasons, one rationale for locating there disappears. Mr. Prestowitz also thinks some will move their Asian manufacturing facilities to Mexico, making it more likely that they would import components from the U.S. In either case, the result would be more U.S. jobs.

In addition, he said in an interview, various Nafta rules encouraging North American production would prompt U.S., rather than Asian, investment in Mexico. "The Mexican connection will let us better compete with Asians," by helping U.S. companies reduce costs and increase exports, he said.

A Counter to Ross Perot

The politics of Nafta are so polarized that Mr. Prestowitz's re-evaluation, by itself, isn't likely to prompt any lawmaker to vote for the pact. But he has a strong reputation as a proponent of tough U.S. trade positions and has ties to many Nafta opponents. The administration and Nafta supporters are bound to use Mr. Prestowitz's comments to try to marginalize Ross Perot and portray as intellectually suspect the Texas billionaire's prediction that Nafta would put 5.8 million U.S. jobs "at risk." The debate over the trade pact in Congress will be fought in large measure over the question of whether Nafta would cost the U.S. jobs.

The administration "will probably say, 'Look, Clyde Prestowitz changed his mind,'" as part of their pro-Nafta campaign, said Jeff Faux, president of Economic Policy Institute, a Washington research group that predicts a 550,000-job loss from Nafta.

Mr. Prestowitz said that he isn't under any pressure by the administration or his think tank's financial backers to endorse Nafta. The Economic Strategy Institute's supporters include such Nafta proponents as **Chrysler** Corp. and Nafta opponents as **Milliken** & Co., the big textile maker.

In its study last fall, the Economic Strategy Institute predicted gains for the U.S. economy and an increase in jobs from Nafta in the year 1998 as Mexico imported more U.S.-made capital goods. But those surpluses would turn to deficits in 2002, the think tank predicted, as new Mexican plants churned out exports destined for north of the border.

Divert Attention From Japan

The study, which came out when Mr. Prestowitz was being considered by the Clinton transition team for the job of U.S. trade representative, grudgingly said the pact should be ratified. But it urged the new administration negotiate changes in Nafta concerning the auto and energy sectors – neither of which the administration did.

"I don't want to disclaim our study," Mr. Prestowitz said. "But having talked to a lot of people in industry, our feeling is that there may be a substantial job movement to the U.S." as companies close old, inefficient plants in Mexico.

Moreover, Mr. Prestowitz, who made his reputation as a critic of Japanese trade practices, said the protracted Nafta fight draws attention from Asia, which is running huge trade surpluses with the U.S. "That's a sucking roar," he said, alluding to Mr. Perot's comment that Nafta would produce a "giant sucking sound" of jobs heading to Mexcio. "We're so used to it that it's deafened us," Mr. Prestowitz said.

New Tax Rate To Push Profits Below Forecasts

Accounting Rule to Force Firms to Set Up Reserve For the Third Quarter

By Lee Berton
Staff Reporter of The Wall Street Journal

The recent increase in the corporate tax rate will take a bigger-than-expected bite out of third-quarter earnings, but not because of Congress or President Clinton.

The reason is a new accounting rule. Issued early last year by the Financial Accounting Standards Board, the rule essentially forces U.S. companies to set up a one-time reserve whenever corporate taxes go up. Because the new deficit-reduction law, which raised the corporate tax rate to 35% from 34%, was passed in August, companies must take the reserve in the third quarter.

The hits will push third-quarter earnings for many companies below most analysts' estimates, as the accompanying table shows. In a worst-case scenario, the decline could range from as little as 5% for **United Technologies** Corp. to about 380% for **Georgia-Pacific** Corp., according to the Accounting Observer newsletter published by R.G. Associates in Baltimore. (Georgia-Pacific is expected to post a loss of about 28 cents a share as opposed to a profit of about 10 cents a share, the newsletter estimates.)

Of course, the tax rise itself will shave corporate profits from now on. But many analysts and investors were unaware of the added one-time penalty that the new accounting rule imposes. Previously, tax liabilities simply built up on corporate balance sheets, and a change in tax rates didn't require a profit-pinching increase in company reserves. But the FASB felt that companies should account on their balance sheets for future taxes they must pay. So the rule-makers decided that whenever the tax rates go up, companies must make a one-time catch-up deduction for profits figured at previous tax rates.

"Some companies accumulated such big deferred-tax liabilities on their balance sheets that when corporate taxes were reduced from 46% to 34% a few years ago, they complained that the balance sheet didn't reflect reality," says Kevin Mead, a project manager for the FASB, the chief rule-making body for accountants. So the FASB issued the rule on deferred taxes early in 1992, effective for fiscal years beginning after last Dec. 15.

Robert Willens, an accounting analyst for American Express Co.'s Lehman Brothers, said the accounting rule will have the biggest impact on capital-intensive companies, such as those in autos, steel and oil. Other companies heavily affected, he said, will be those that have made acquisitions using so-called purchase accounting. Such takeovers can lead to deferred-tax liabilities on the balance sheet and can penalize profits. The reason is that accountants want to show that the assets acquired, even though booked at their original cost, could probably be sold for more later on.

Taking a Hit

Here's how an accounting rule may shave third-quarter profits, one accounting newsletter says.

	COMPANY/ANALYST CONSENSUS FOR QUARTER	RULE'S WORST-CASE REDUCTION	PERCENT DROP
Alcoa	$0.43	$0.12	– 27.9%
AlliedSignal	1.17	0.13	– 11.1
Chevron	1.37	0.32	– 23.4
CSX	1.35	0.54	– 40.0
Georgia-Pac.	0.10	0.38	–380.0
Int'l Paper	0.63	0.32	– 50.8
Philip Morris	1.18	0.07	– 5.9
Santa Fe Pac.	0.21	0.11	– 52.4
Tenneco	0.47	0.23	– 48.9
Texaco	1.01	0.17	– 16.8
United Tech.	1.03	0.05	– 4.9
Weyerhaeuser	0.50	0.13	– 26.0

Note: Consensus as week began from Zacks Investment Research Inc.
Source: R G. Associates' Accounting Observer

For example, **Coca-Cola** Co. this week noted that the effects of the deferred-tax accounting rule would reduce its annual profit only $19 million, or one cent a share. But its 44%-owned subsidiary, **Coca-Cola Enterprises** Inc., which has been acquiring a lot of bottling operations, previously indicated the accounting rule will penalize 1993 profit $40 million, or 31 cents a share.

Mr. Willens said that when the FASB issued its rule in early 1992, investors weren't made aware by most analysts that if there is a future tax boost, the profits of the companies in which they invest will take an immediate hit.

"Now the other shoe has dropped," he said, though it's too early to compute the combined effect of the tax boost and accounting rule on most companies.

Jack Ciesielski, publisher of R.G. Associates' Accounting Observer newsletter, doesn't think Wall Street is properly assessing the impact of the accounting rule.

"Stock analysts seem to be ignoring the catch-up amount required by the rule," he said. "Investors who put their money down based on analysts' current estimates for third-quarter profits are going to be mightily disappointed. And after quarterly profits are released in October, they're going to go back and shoot some of their favorite stocks."

Janet Pegg, an accounting analyst for Bear, Stearns & Co., agreed. Companies, she said, are discovering that the new tax act is having "a more immediate impact on their reported earnings, and some analysts may be caught unaware by these adjustments."

Clinton Opens Free-Trade Drive, But Side Accords Could Fall Short

By ASRA Q. NOMANI
And MICHAEL K. FRISBY
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON – President Clinton launched his campaign to sell the North American Free Trade Agreement, signing labor and environmental deals that provide political cover for pact supporters.

But the side agreements don't go far enough to win over opponents or to ease fears that Nafta may cost the U.S. millions of jobs.

Flanked by former presidents Bush, Carter and Ford at a White House ceremony, Mr. Clinton delivered an impassioned speech that touted the side agreements and attempted to dispel suggestions that he is only a reluctant supporter of the trade pact.

The signing allowed Mr. Clinton to say that he upheld his campaign promise to beef up Nafta by providing for strengthened enforcement of environmental and labor standards, particularly in Mexico. He also signed a deal to protect against a surge of imports as trade barriers are dismantled among the U.S., Canada and Mexico over the next 15 years.

The side deals would set up two commissions to handle complaints over each country's enforcement of environmental and labor laws. But the commissions wouldn't be nearly as strong as Mr. Clinton promised during the campaign. For example, he pledged that they would be able to assess fines against countries that don't adequately enforce their laws; but under the agreements he signed yesterday, they couldn't do that on their own. Instead, if they fail to win voluntary compliance, disputes would be handled by separate conflict-resolution panels.

What's more, the administration's push to sell Nafta, which had been expected to be running fast and hard by this point, so far has come up lame. "The president has really blown this one politically," said Kent Jones, a former trade official at the State Department and a professor at Babson College. "He left Nafta hanging in the wind, and the inherent political value of the side agreements has been lost."

Robert Hormats, a former deputy U.S. trade representative who is a senior executive at Goldman, Sachs & Co., added, "The side deals make the agreement more palatable to people who would like to support it for other reasons, but so far they don't seem to have converted very many opponents." That's largely because the side deals don't address concerns about job losses, and they don't press Mexico very hard on environmental issues.

The administration maintains that it hasn't yet begun selling Nafta, which they insist would create new jobs. "We start by clearing out the misinformation about Nafta," says Commerce Secretary Ron Brown. "That process began full force today with the president and three of his predecessors. It is unfair to do a head count when the battle has just been joined."

The Clinton administration hoped to use the side deals to woo environmental groups. But such big organizations as the Sierra Club, Greenpeace and Friends of the Earth continue to oppose Nafta. They maintain that the environmental side agreement won't dissuade U.S. companies from going to Mexico to take advantage of its lax environmental enforcement, thus putting pressure on the U.S. to relax its own standards.

Greenpeace members yesterday unfurled a 15-foot banner that read, "Nix Nafta: Fair Trade Not Toxic Trade," during a congressional hearing where administration officials spoke.

Nevertheless, more mainstream environmental groups such as the National Wildlife Federation, the World Wildlife Fund, the National Audubon Society and the Natural Resources Defense Council back the pact. They argue the planned environmental commission will give the U.S. leverage it hasn't had before to encourage Mexico to clean up its environment.

The administration also unveiled yesterday an $8 billion border environment cleanup plan. The money would come from the Inter-American Development Bank, existing government programs in Mexico and the U.S., and the World Bank.

The side provisions on labor standards have had even less success than the environmental deal in winning over critics. Labor groups, including the AFL-CIO, worry that the proposed dispute-resolution process would be too cumbersome to assure adequate Mexican enforcement of child labor and worker-safety standards. And they note the side deal wouldn't require Mexico to assure its workers collective bargaining rights.

But President Clinton said the labor side deal already has been a plus, noting that Mexico has agreed to tie its minimum wage to the growth in its economy. "It means that there will be an even more rapid closing of the gap between our two wage rates," he said.

Mr. Clinton travels today to New Orleans, where he will give a speech in support of the Nafta agreement. The administration also plans to send cabinet members around the country to promote the agreement, much as it did after it introduced its budget plan.

The wild card in all this is a recent ruling by a federal judge that the administration needs to file an environmental-impact statement for Nafta. A decision in the administration's appeal of the ruling is expected soon. If the administration loses, the expected November vote on Nafta could be delayed for months.

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① At last minute the side agreements are weak
② Is this $8 Real?
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What Is Nafta?

Here are the major elements of the five-volume North American Free Trade Agreement:

TRADE

■ **TARIFFS & QUOTAS:** U.S. and Mexican tariffs and quotas would be eliminated on imports of agricultural and manufactured products, many over the next few years but some over 15 years. Tariffs could be reimposed temporarily if imports surge.

■ **RULES OF ORIGIN:** Goods made with materials or labor from outside North America would qualify for Nafta treatment only if they undergo "substantial transformation" within the U.S., Canada or Mexico.

■ **AUTOS:** Elimination of tariffs applies to autos only if 62.5% of the cost (50% for the first four years, 56% for the second four years) represents North American materials or labor. Limits on imports of foreign-made trucks to Mexico would be lifted immediately. After 10 years, U.S. producers no longer would have to produce in Mexico to sell there.

■ **TEXTILES & APPAREL:** Strict rules would eliminate tariffs only for goods made from North American-spun yarn or from fabric made from North American fibers. Quotas could be reimposed temporarily if imports cause "serious damage" to industry.

■ **AGRICULTURE:** Many tariffs and quotas would be eliminated immediately, but those on politically sensitive goods–such as U.S. corn shipments to Mexico and Mexican shipments of peanuts, sugar and orange juice to U.S.–would be lifted over 15 years.

■ **TRANSPORTATION:** Limits on truckers carrying cargo across the borders would be lifted by end of 1999.

■ **GOVERNMENT PROCUREMENT:** Major government purchases would be open to firms from all three countries, with a 10-year phase-out of Mexican limits for government energy companies.

INVESTMENT

■ **INVESTMENT:** Foreign investors, in general, would be treated no less favorably than domestic investors, with several exceptions and varying phase-in periods. Strict limits would apply to Mexico's energy and rail industries, U.S. airlines and radio communications industries and Canada's cultural industries. Mexico continues to restrict foreign ownership of certain land.

■ **ENERGY:** Mexico opens most petrochemical and electric generation sectors to foreign investment, but continues to forbid foreign investment in oil exploration, production and refining.

■ **FINANCIAL SERVICES:** Limits on foreign investment in Mexican banks, insurance companies and brokerage firms would be lifted over the next seven to 15 years.

ENFORCEMENT

■ **DISPUTES:** Five-member panels of private trade and legal experts would resolve trade and investment disputes; appeals would be referred to panels of judges or former judges.

■ **ENVIRONMENTAL & LABOR:** Side agreements would create trinational panels to monitor enforcement of environmental and labor laws in each country, and effectively to impose fines if necessary.

Amid Troubled Times, 3 Unknowns Vie To Succeed Atlanta's Political Giants

By HELENE COOPER
Staff Reporter of THE WALL STREET JOURNAL

ATLANTA – With its crushing poverty and crumbling infrastructure–not to mention the multimillion-dollar face lift required before the opening of the 1996 Olympics here – this city would seem to need a strong and prominent mayor as never before.

Instead, the three major candidates running to succeed Mayor Maynard Jackson are relative unknowns. Any misstep by an unseasoned mayor could leave Atlanta foundering at a time when a single event, the Summer Olympics, could set its course for years to come.

"We're going to be on the world stage," says William Ide, a local attorney who is president of the American Bar Association and a member of the Atlanta Olympic Committee's board. "We need a great salesperson like we've had in the past."

The absence of a dominant candidate is unusual for Atlanta, which for 20 years has been led by two prominent, experienced politicians: Mr. Jackson, the first black elected mayor of a major Southern city, and Andrew Young, former United Nations ambassador. But in recent months, Atlanta has watched its biggest hitters quietly step back from the plate.

Jackson, Young Decline Runs

In June, Mr. Jackson, considered a sure bet for re-election, stunned the city with his decision not to run, citing health problems. At once, business leaders moved to draft Mr. Young. But despite polls showing him with a better than 2-to-1 margin over his closest rival, the 61-year-old businessman declined to run. "It's someone else's turn," he said.

At one point, Martin L. King III, the son of the slain civil-rights leader, considered a mayoral bid, but decided to run for chairman of the county commission. There are now three major contestants in the non-partisan race: Michael Lomax, chairman of the Fulton County Commission; and Bill Campbell and Myrtle Davis, both City Council members–none of whom has a strong lead in polls.

Some political observers say the city, known for its relentless boosterism, will need to deal with much more than economic development. The next mayor will head the ninth-poorest city in the country; 45% of the households in Atlanta have yearly incomes of $15,000 or less. A long-neglected sewer system recently spawned a gaping sinkhole, resulting in two deaths, on the edge of downtown. Some 30,000 residents have fled to the surrounding suburbs in the past 10 years, further shrinking the city's tax base. And Atlanta's schools are in dire need of a complete overhaul.

Lomax's Notoriety

Then there's the mammoth task of preparing for the Olympics. While the Atlanta Committee for the Olympic Games, a private organization, is responsible for staging the spectacle, Atlanta must develop–and find the tens of millions of dollars to pay for – new parks, pedestrian malls, a new railroad terminal and new streets and bridges. What's more, the mayor must act as an arbiter between the local Olympic committee, with a half-billion dollars in construction projects, and city neighborhoods, with their numerous concerns about those projects.

Perhaps the best known of the three candidates – all Democrats – is Mr. Lomax, the 46-year-old chairman of the county commission. In Atlanta, Mr. Lomax has the name recognition his two rivals lack. But much of that stems from a run against Mr. Jackson in 1989, when Mr. Lomax pulled out of the race when it became clear he couldn't win and, thus, infuriated his supporters.

As chairman of the county commission, Mr. Lomax, an English professor by trade, probably is the most experienced of the candidates. But his well-known love of the arts – he founded the National Black Arts Festival in Atlanta – and his taste for tailored suits and gourmet food have appeared, at times, to keep voters at arm's length. Indeed, the most important issue facing Atlanta, he says, isn't poverty or crime or the Olympics, but rather "the challenge of harnessing the [city's] intellectual potential."

Mr. Campbell, a 12-year veteran of the City Council, is seen as the consummate insider and the hand-picked successor of Mr. Jackson. The son of a janitor who went to Vanderbilt University and Duke Law School, Mr. Campbell, 40, makes much of his humble beginnings and his ability to see from both sides of the fence – rich and poor. Indeed, one of his strongest suits, observers say, has been his ability to balance the diverse interests of his council district, which include the affluent Virginia-Highlands neighborhood and the poorer, mostly black areas around Atlanta's baseball stadium.

"The government in Atlanta has performed the rare task of alienating both the business community and the poorer people," says Mr. Campbell, an attorney. "Well, I've known both ends of the spectrum. I can make everyone feel included." His efforts seemingly to please everyone, however, also may work against him. "Bill Campbell has been running for mayor" while sitting on the City Council, says R.C. Loudermilk, chairman, president and chief executive of Aaron Rents, a furniture-rental concern based in Atlanta, "rather than voting for the best interests of the city."

Probably the least recognized of the three is Myrtle Davis, who beat everyone to the punch by announcing her intention to run for mayor before Mr. Jackson dropped out. Mrs. Davis is seen by many in the business establishment as Atlanta's best hope. As head of the all-important City Council finance committee, the 61-year-old former pharmacist is well-versed in the budget process. And, perhaps most important, she has received support from Mr. Young, the business community's patron saint, who called her "the next mayor of Atlanta."

If nothing else, the dearth of big names means this image-conscious city may have to look at substance over style. "The problem in Atlanta is we want someone who is as high-profile as Andy [Young] or Maynard [Jackson]," says William Boone, a political science professor at Clark Atlanta University. "That's a rather interesting way to judge candidates. There are day-to-day problems this city needs to deal with that have nothing to do with being high-profile."

THE WALL STREET JOURNAL FRIDAY, SEPTEMBER 17, 1993

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Gephardt links NAFTA support to retraining funds

By Major Garrett
THE WASHINGTON TIMES

House Majority Leader Richard A. Gephardt said yesterday he will not support the North American Free Trade Agreement unless the White House pledges federal funds to retrain workers left unemployed in the treaty's wake.

"I don't want NAFTA without a guaranteed revenue stream" to pay for worker retraining, Mr. Gephardt said. He and others fear U.S. workers will lose jobs if U.S. factories move to Mexico in pursuit of lower labor costs.

"So far, precious little has been said about getting revenue," Mr. Gephardt told the annual meeting of the Hispanic Business CEO Roundtable. "I stand ready to review any and all options."

The majority leader said the trade pact does not protect U.S. workers by requiring Mexico to raise wages as its workers' productivity increases. NAFTA establishes a tri-national panel to oversee wage disputes.

While economists and politicians disagree over what the average Mexican worker earns, no one disputes that the prevailing wage in Mexico is dramatically lower than that received by U.S. factory workers.

Mr. Gephardt said it would be difficult for U.S. workers to compete with a Mexican work force whose wages remain the same while productivity increases.

The Missouri Democrat said the treaty's failure to deal with wage disparity amounts to a "glaring omission."

Mr. Gephardt's comments show that the distance between the House leader and the Clinton administration on the trade pact has not narrowed — despite the White House's avid courtship.

Mr. Gephardt's opposition to NAFTA is no surprise. But the White House has pursued a two-pronged strategy to turn this powerful House leader into an ally.

First, the administration sought to soothe his anxieties by negotiating side agreements with Mexico to improve environmental cleanup along the Mexican border and provide further protection to U.S. workers imperiled by freer trade.

Those efforts failed: Mr. Gephardt said he still opposed the treaty after the side agreements were announced. For the last few weeks the administration sought to win Mr. Gephardt over with assurances that displaced workers would be protected after NAFTA passes.

The talks have yet to persuade Mr. Gephardt, who has built his formidable political career on the strength of steady financial and political backing from America's labor movement.

The sectors of the labor movement most opposed to NAFTA are the auto workers and machinists; both have sizable constituencies in Mr. Gephardt's St. Louis district. These labor unions have already begun withdrawing financial support from Democrats who support NAFTA.

Aides to Mr. Gephardt said he was not closing the door on NAFTA. They said discussions continue between Mr. Gephardt and U.S. Trade Representative Mickey Kantor and other administration officials over worker protection.

Other lawmakers close to the NAFTA debate say the administration's only hope is to persuade Mr. Gephardt to mute his opposition. They see virtually no hope of turning him into a NAFTA supporter.

The Mexican government has made an informal commitment to increase the minimum wage as worker productivity increases. Some economists believe increases in the minimum wage would force other wages higher.

The administration is developing a new program to revamp all existing job training and retraining programs. The administration proposed $18.5 billion in its 1994 budget for federal employment and training programs.

Labor Secretary Robert Reich is leading the effort, which will seek to combine several competing programs into a single entity.

It will include billions in additional spending over the next five years to help retrain workers left jobless by defense cuts and displaced by NAFTA. The administration offered broad outlines of its plans in congressional testimony in favor of NAFTA this week.

As yet, there has been no decision on how to fund the new programs.

The administration will unveil its proposal in late October. A vote on NAFTA is likely to occur in late November or early December.

Cc GS — This is true — we must come up with something soon — B.

9.17.93 Mack McLarty

MICHAEL SCHRAGE

U.S. Must Go Back to School On Defense Conversion

The most cost-effective, globally competitive and technologically sophisticated product of the Cold War won't be found deep in underground silos or hurtling overhead in geosynchronous orbit or embedded in millions of lines of command-and-control software.

It can be found in the nation's research universities and their graduates. Dollar for dollar, the Pentagon has gotten the most bang for its research buck from the places that hand out sheepskin.

The Cold War made possible the world's greatest research university system. Without the Pentagon's largess, there is no technologically preeminent California Institute of Technology or University of California, no Stanford University and Silicon Valley, no Massachusetts Institute of Technology and Route 128, no global Internet. Without the research universities, the Pentagon doesn't get the never-ending stream of technological breakthroughs that keep the United States the world's leading military superpower.

More like co-dependency than symbiosis, the intense relationship between the Pentagon and the nation's research universities shaped the nation's science and technology research agenda.

The deal—critics called it a Faustian bargain—was simple: If the Pentagon provided the money and the access, the universities would generate the best research and brightest graduates. For decades, both sides delivered.

Now that the Cold War is over, the Pentagon is as concerned with "defense conversion" and "dual use" (military and commercial) technologies as it is with breakthrough research that can redefine a weapons system.

While universities rightly have been concerned about their role in boosting regional innovation and economic development, they've been slow to assume the necessary leadership or partnership role in managing defense conversion.

"Unfortunately, we have found ourselves so wrapped up in a defensive posture over issues like [indirect cost reimbursement] and keeping costs down that we haven't been as forceful and articulate on these topics as perhaps we should have been," acknowledges MIT President Charles Vest.

"Research universities are now facing post-Cold War issues too," says Richard Cyert, president emeritus of Carnegie-Mellon University, who believes that universities must play a more active role in promoting economic development. "Perhaps defense conversion is one of the ways universities can realign their missions with the concerns of the community."

Universities must play as big a role in defense conversion today as they did in yesterday's defense buildups.

Is retraining a concern? Universities are in the business of education and training. Need people who understand and appreciate market implications of science and high technology? The research universities are filled with them. Want institutions that have ongoing relationships with venture capitalists and Fortune 1,000 companies? The nation's top research universities have those too.

Think the national labs face even thornier conversion problems? Guess who manages them? The University of California system alone runs three: Livermore, Los Alamos and Lawrence. You cannot meaningfully address the national issue of defense conversion in science and technology without universities participating.

Today's deal must reflect this new reality: The Pentagon and the universities now need to focus their collaboration on defense industry conversion and dual-use technologies.

It's time for the White House National Economic Council—which oversees defense conversion policy—to convene a "conversion summit" of the nation's top 25 research universities.

Collectively, these schools receive more than 80 percent of the federal research dollars, so they have the most at stake. That's also a manageable number of participants and underscores the point that defense conversion must be treated as a national issue, not just as a collection of local and regional problems.

The universities, in concert with the relevant funding agencies, should come up with plans and programs that better position universities as a medium for defense conversion.

"That's a reasonable suggestion," says Ted Poehler, vice provost of research for Johns Hopkins, which receives more federal research dollars than any other university. "The inclination now is still toward industry, innovation and economic development rather than defense conversion."

"We could learn a lot from each other," agrees Walter Massey, the former national science director who is now provost of the University of California system.

Massey points out that the University of California just set up its own Defense Conversion Council. Rober L. Byer, a Stanford University professor and former dean of research, notes that the California Council on Science and Technology—a collaboration initiated by the state's universities—has moved with both industry and the state to apply for federal defense conversion grants called TRPs, for technology reinvestment programs.

"The [economic] situation in California is so bad, we had to take the bull by the horns," says Byer.

But it would be a mistake to let defense conversion policies be defined state by state. The issue isn't just funding; it's what kind of institutions we need to cope effectively with this wrenching industrial transition.

Michael Schrage is a columnist for the Los Angeles Times.

9.17.93
Vickie - not a bad idea

FRIDAY, SEPTEMBER 17, 1993 THE WASHINGTON POST

RC

THE WHITE HOUSE

WASHINGTON

September 16, 1993

H. Brandt Ayers
The Anniston Star
Post Office Box 189
Anniston, Alabama 36202

Dear Brandy:

Thank you for your letter and for sending your column "You'll be okay, Mr. President." As always, I think your insight is keen.

I've shared your letter with David and George, and I hope that we'll all be able to get together soon.

Sincerely,

Bill

It's a brilliant piece — Thanks — See you soon. Love to Josie

Gergen / GS / Nash

~~[illegible]~~ Brilliant Editorial

~~[illegible]~~ Let's get him up here

~~[illegible]~~ soon

The Anniston Star

"Alabama's Largest Home-Owned Newspaper"

Office of the Editor and Publisher

September 13, 1993

The President
The White House
Washington, DC 20500-2000

Dear Mr. President:

In addition to the self-explanatory enclosure, here's why I hope to meet with you, Dave Gergen and George Stephanopoulos sometime in the next few weeks:

My first talk with President Carter on Oct. 14, 1977, centered on how to project into the minds of the American people a vision of the America his policies were intended to build--a message that also got in touch with the feelings of the people and seeped into their hearts.

I did not persist and so it was really too late in 1979 when Rosalynn and I created the domestic Camp David process. Unfortunately, his staff seemed to think that the speech at the end of the Camp David summit, the so-called malaise speech, and the cabinet reshuffle meant the end of the process. I thought it was the beginning and that it should have started in the second year of his presidency in order to shape his third year, the year before his re-election attempt.

Because of that history, because of my affection for you and high hopes for your presidency, I hope you, Dave and George will bring some candid, thoughtful friends to the White House singly or in small groups on a quarterly basis to discuss how things look on the outside and share ideas about clarifying popular understanding of your intentions.

Meanwhile, you and the extraordinary enterprise you have undertaken are in our prayers. Josie sends her love to you.

Cordially,

H. Brandt Ayers
Enclosure
cc: Mr. Dave Gergen
    Mr. George Stephanopoulos

216 West Tenth Street • P.O. Box 189 • Anniston, Alabama 36202
Telephone (205) 236-1551 or 238-9556 • FAX 231-0027

"...It is the duty of a newspaper to become the attorney for the most defenseless among its subscribers."
—Col. Harry M. Ayers, President and Publisher, 1910-1964

H. BRANDT AYERS
Editor and Publisher

P. A. SANGUINETTI
President

Page 2E The Anniston Star, Sunday Sept. 12, 1993

The Anniston Star

Out here

You'll be okay, Mr. President

By Brandt Ayers

DEAR MR. President: A lot has happened since your last letter — and you've begun your toughest battles. So I thought it timely to write and tell you that, despite what my parliamentary colleagues say at the Courthouse Barber Shop, you have every reason to keep your confidence steady and your spirits high.

The prime minister of my hometown parliament, Jimmy Turner, reports that some customers who voted for you now ask him to change the channel when you appear on TV. That local measure of

Ayers

historically low approval ratings is cause for concern, but not melancholy.

You have earned that pleasant feeling of heightened awareness, the joy of battle, because your policies — deficit reduction, governmental reform, free trade and universal medical care — are important to the economic and physical health of the nation.

What is missing is solace for the soul of a nation Presidency. You didn't don the vestments and deliver the homilies as presiding bishop of America's great civil religion because, as your friends know, you are a simple, unpretentious person.

BUT THE people out here expect you to live up to the nearly religious importance of the office. As conservative Catholic scholar Michael Novak put it, "the election of a president is an almost religious task; it intimately affects the life of the spirit, our identity. Who the man is determines in real measure who we are."

What most Americans wanted to know in the pause before the beginning of the real work of your presidency was this: What manner of man have we put in our great civil shrine, the White House?

Everybody knew you had a brilliant policy mind, but we needed to know how good you were at the pastoral role of the presidency. How did your symbolic actions and words define the scope of national expectations? How were you as protector and defender of that cluster of original feelings that we call by names such as patriotism and traditional values?

The pause before a presidency begins is always expectant, hopeful. The great

The nation fa

By David S. Broder

Clinton inarticula analyzing the man

THESE NEXT few weeks present President Clinton with as daunting a challenge to his communications skills as any president has ever faced.

On Tuesday he began to sell the American people on a scheme for overhauling the structure and operations of the federal government. Next week, he tries to explain the advantages of a free trade agreement with Mexico. And the week after that comes the

Broder

biggest task of all, persuading people that he has found the right prescription for the nation's health needs.

On the reorganization of government Clinton will confront

media which h not have to f

In his first president, Cl what anyone communicator speech to a Congress, int and econom rhetorical suc it was steadil from the nu phone calls to televised app Office on the budget votes Senate certa maybe backf

Richard E University pr in town last friends if the by the camp thinking tha suffering one of its periods of spiritual poverty. You've got the words right, but there's no music. You haven't filled every crevice of the nation's mind and heart with your vision of the kind of an America you want to see — a dream your policies are intended to make flesh. That picture will not form in our heads until you paint it.

Our fellow Renaissance Weekender, Dave Barber, said it well in his book, "The Presidential Character:"

The Presidency is much more than an institution. It is a focus of feelings... The Presidency is the focus for the most intense and persistent emotions in the American polity. The President is a symbolic leader, the one figure who draws together the people's hopes and fears for the political future. On top of all his routine duties, he has to carry that off — or fail.

When you took office, you didn't fully comprehend the almost religious aspects of the American multitude in all its variegated forms and factions hopes that the new leader will be the kind of man who exemplifies everything that is truest and best about the national character, who is us — ME — writ large.

What filled that auspicious void was a protracted dispute between the new president and his military commanders about homosexuals. Also echoing in the chambers of our mind, a void not yet filled with the larger purposes of your leadership, was Hollywood parties and the haircut.

What is missing is solace for the soul of a nation suffering one of its periods of spiritual poverty. You've got the words right, but there's no music. You haven't filled every crevice of the nation's mind and heart with your vision of the kind of an America you want to see.

MOST AMERICANS don't care what your views are about homosexuality.They did mind that you seemed willing to discount your role as commander in chief for a marginal issue. They also worried about your ability to lead, organize and discipline your subordinates.

Finally, millions of Americans were depressed by the fact that you seemed to enjoy the company and exotic rituals of California celebrities, that you could concentrate so much energy on one forlorn minority but that you had no words of comfort for the great middle class who had been central to your campaign. That was the wound from which your popularity bled.

It can be healed. Already we are getting a better idea of your purposes as the larger architecture of your policies come into view — especially the load-bearing pillar of universal health care. It will be an historic achievement if you succeed in removing the dread that stalks 30 million Americans, "What will happen to the family if I get sick?"

Even then, we will still strain to hear the sound of music — the spiritual dimensions of the presidency. There is time for that though because the learning curve of any presidency is two years.

YOU'RE A quick study, Mr. President. You'll be okay and — more importantly — so will the country.

On the reorganization of government, Clinton will confront the deep public cynicism about the ability of Washington to get anything right. On the free trade agreement, he will have to overcome fears of job losses, fanned by a formidable array of opponents inside and outside his own party. And on health care, he will have to make his voice heard over the multimillion-dollar advertising and public relations campaigns mounted by every affected interest group.

To succeed, Clinton will have to improve markedly his own use of the White House "bully pulpit." And he will have to overcome two barriers in the

by the campaign press cc thinking that Clinton w better at molding public than he has looked so fa White House. My ansv that, on my scorecard, never gave an outstandin during the campaign — not on the nights he wa nated and elected — bu had excelled at non-verl munication.

Clinton, goodness kı anything but inarticulate comes to expounding an ing policy. As has been before, the man can talk. isn't what elected him. I ability to convey emotic empathetic hugs he best

Ambitions of t

By Russell Baker

IF YOUR ambition is to be fired, this is a great time to be an American. Most of the big companies — Eastman Kodak, IBM, Procter & Gamble and lots more — are firing as though unemployment is going to be the biggest thing since Madman Muntz brought television to the American parlor.

The boss of any large corporation that hasn't fired at least enough people to make up an army division has a lot of explaining to do to his buddies down at the CEO Club.


Baker

"What's the matter, fella? Don't you believe in the end of the American future?"

In modern mushmouth, which now passes for English throughout America, the firing trend is called "downsizing." Downsizing makes a business "lean and mean."

"Lean and mean" is not mushmouth lingo. It's sports jabber, a teen-ager dialect spoken by grown-ups who want to sound dynamic.

"Lean-and-mean types gonna leave cleat marks all over your face, man." And so forth. If they run once big, now downsized companies, those companies gonna leave cleat marks all over the famous "worldwide competition."

"Worldwide competition" is a euphemism. Means foreign com-

In modern mu English through called "downsiz ness "lean and

panies are beating Ame panies by using such good national education government-approved rangements, superior m skills andor sweated la

TO REVIEW: I makes America mean against competition.

And yes, puts army- masses out of work, question that's hardly Why not? Maybe be naive.

"Never be naive, no naive you are." The la as the story of the pointed out that the e no clothes on. In fa enacted by that very sa as soon as he put some made retroactive anc justification for giving kid a good caning.

Nowadays of course civilized to cane, so ment for asking naive questions is to be disı fool whose question serve an answer.

Enough digressing. shamefully naive que: "Doesn't all the fi there'll be even fewer money to buy stuff mean companies, thus ı times worse?"

I trust nobody here personally, would ask a stupidly naive about e

THE WHITE HOUSE

WASHINGTON

Sent via messenger to Frank Wolf & cc to Steny Hoyer 9/17/93 db

September 17, 1993

The Honorable Frank R. Wolf
House of Representatives
104 Cannon House Office Building
Washington, D.C. 20515-4610

Dear Congressman Wolf:

Thank you for your letter of September 9 regarding the White House Travel Office employees.

At the outset, I want to say, as I have said previously, that the handling of the Travel Office matter was regrettable. On behalf of the White House, I have publicly apologized to the Travel Office employees and their families for the manner in which this issue was handled. We have tried to identify any errors that were made, and to rectify them as best we can.

It may be helpful to review the actions taken with respect to the Travel Office employees since the initial Travel Office announcement on May 19, 1993.

Less than a week after the initial announcement, on May 25, the White House explained that five of the seven employees would be placed on paid administrative leave. The employees placed on administrative leave were those without responsibility for financial management. Those employees have never lost any pay or benefits. The other two employees filed for retirement.

On July 2, 1993, we issued our White House Management Review report. While the report found that the White House Travel Office was not managed properly, the report candidly criticized aspects of the White House's handling of the Travel Office issue. On that date, I publicly apologized to the Travel Office employees and their families.

The Management Review report stated that the five employees would be placed in interim positions at other federal agencies or the Executive Office of the President, pending completion of the "ongoing investigation" (p. 3). Within days after the Management Review was issued, representatives of the White House and the Office of Management and Budget met with each of the five employees and each employee's counsel to discuss possible new assignments. The discussions covered the employees' background, qualifications, and interests.

In the course of these discussions, a number of employees expressed concern about the interim status suggested in the Management Review. They suggested that the pending Justice Department investigation could be lengthy and that they did not want to have the uncertainty that such a status would produce. Counsel for at least one of the employees suggested that if he could produce a letter stating that the employee was not a subject or a target of the DOJ investigation, such a letter should remove any obstacle to a regular federal employment position. Counsel for other employees subsequently also raised this point.

We agreed to consider these concerns. Upon reflection, we determined that it would be fair and reasonable to remove any obstacle to a regular federal employment position if an employee gave us such a letter. We notified the employees of this decision. In early August, all five employees produced letters from the Justice Department to the employees stating that they were not targets or subjects of the investigation. In response to press inquiries, and after consulting with counsel for the five employees about our intention to do so, we publicly confirmed that we had received such letters and that, in our view, they removed obstacles to a regular federal employment position. We also stated that, as we had previously informed the employees, we would now seek to place the five employees in regular positions at other Departments and agencies.

Four of the five Travel Office employees now have received concrete offers of employment -- two at the General Services Administration, one at the State Department, and one at the Defense Department. Counsel for the fifth employee has been advised that final details are being worked out about the offer that he will receive.

These positions were identified after an intensive search by an OMB official. In that search, she sought to match the employee's background, skills, and stated interests with the prospective position. In each instance, the compensation is comparable to what the employee was receiving at the White House. In each instance, the position is at a Department or agency in which the employee had indicated a possible interest. Four of the five positions are travel-related. The fifth position is in security, the employee's background and his area of stated interest. In each instance, the employee is being given ample time to consider the position and raise questions or objections.

We believe that we have worked painstakingly to find appropriate positions for each of these five employees, and that we have tried very hard to be responsive to their interests and concerns.

With respect to attorneys' fees, the White House Counsel's Office has been orally advised by the Justice Department that, as a general matter, aside from litigation-related settlements, the only authority for federal compensation for private attorneys' fees for federal employees' individual representation is the Department of Justice representation program, 28 C.F.R. 50.16. The DOJ program has certain specific requirements that have not been satisfied here.

As I indicated at the outset, we wish that this matter had been handled differently, but we do believe that we have made diligent efforts since that time to be fair and reasonable.

Personally,

Mack McLarty

Mack McLarty

cc: Chairman Steny Hoyer

THE WHITE HOUSE

WASHINGTON

September 17, 1993

cc: clerk

MEMORANDUM FOR MELANNE VERVEER

FROM: JOHN PODESTA

SUBJECT: SID YATES

We discussed presenting Sid Yates with an appropriate medal when the National Meal of Arts awards are presented.

I believe that the most appropriate medal would be the Presidential Citizens Medal, the second highest award of the government. A little bit about that medal is attached along with a list of previous recipients.

Let me know if you want to discuss this further, otherwise, I'll proceed.

Two other questions: Has NEA notified the National Medal Awardees? Has the list been made public?

Attachments

Prepared by: Executive Clerk

PRESIDENTIAL CITIZENS MEDAL

The Presidential Citizens Medal was established by Executive Order 11494 of November 13, 1969, for the purpose of recognizing citizens of the United States of America who have performed exemplary deeds of service for their country or their fellow citizens. This is generally recognized as the second highest award of our government.

The Medal may be bestowed by the President upon any citizen of the United States at the sole discretion of the President. The announcement of the granting of the Medal and the presentation ceremony may take place at any time during the year.

The Medal may be conferred posthumously. The recipient receives a medal and a citation signed by the President.

PRESIDENTIAL CITIZENS MEDALS

PRESIDENT NIXON

CLEMENTE, Roberto (POSTHUMOUSLY) 5/14/73
Athlete, Professional Baseball Player, Pittsburgh Pirates, Humanitarian, died in plane crash delivering supplies to earthquake victims in Nicaragua

ROGERS, Adele 10/15/73
Premiere hostess in foreign affairs, wife of former Secretary of State William P. Rogers

PRESIDENT FORD

NONE

PRESIDENT CARTER

NONE

PRESIDENT REAGAN

ASTOR, Brooke Russell 1/19/88
Author, Philanthropist, lifetime of philanthropic activities from Carnegie Hall to the Bronx Zoo and renaissance of the New York Public Library

ABSHIRE, David 1/18/89
Scholar, Diplomat, Public Servant, former Special Counsellor to the President, U.S. Representative to NATO, Assistant Secretary of State

ARMITAGE, Richard 1/18/89
Public Servant, Assistant Secretary of Defense for International Security Affairs

BALLANTINE, Hubert Dickey 7/22/82
Humanitarian, working with the youth of St. Louis, Missouri

BECKMAN, Arnold O. 1/18/89
Scientist, Inventor, Entrepreneur

BRADY, James Scott 1/18/89
Public Servant, Assistant to the President and Press Secretary

BUCKLEY, William F., Jr. 1/18/89
Magazine Editor, National Review, Columnist, Author

CARLUCCI, Frank C. 4/28/83
Public Servant, former Director of the Office of Economic Opportunity, Deputy Director of the Office of Management and Budget, Under Secretary of Health, Education, and Welfare, Deputy Director of Central Intelligence, Deputy Secretary of Defense

CROCKER, Chester A. 1/18/89
Public Servant, Assistant Secretary of State for African Affairs

CULVAHOUSE, Arthur B., Jr. 1/18/89
Public Servant, Counsel to the President

DELANEY, Joseph Alton (POSTHUMOUSLY) 7/13/83
Athlete, Professional Football Player, Kansas City Chiefs, lost his life attempting to save three children from drowning

DOLE, Bob 1/18/89
Public Servant, Republican Leader, U.S. Senate, of Kansas

DUBERSTEIN, Kenneth M. 1/18/89
Public Servant, Chief of Staff to the President, former Deputy Chief of Staff to the President, Assistant to the President for Legislative Affairs, Deputy Assistant to the President for Legislative Affairs

FEULNER, Edwin J., Jr. Leader of conservative movement, President, Heritage Foundation	1/18/89
FISHER, Max M. Businessman, Philanthropist	1/18/89
FORBES, Malcolm S. Philanthropist, Publisher, Forbes magazine	1/18/89
FORTIER, Donald R. (POSTHUMOUSLY) Public Servant, former Deputy Assistant and Special Assistant to the President for National Security Affairs	1/18/89
HEIGHT, Dorothy I. Civil Rights Leader, longtime President of the National Council of Negro Women	1/18/89
HERRINGTON, John S. Public Servant, Secretary of Energy, former Assistant Secretary of the Navy, Assistant and Deputy Assistant to the President for Presidential Personnel	1/18/89
HESTON, Charlton Actor, patron of the arts	1/18/89
HODEL, Don Public Servant, Secretary of the Interior, former Secretary of Energy, Under Secretary of the Interior	1/18/89
HUNT, Leamon R. (POSTHUMOUSLY) Public Servant, Diplomat, assassinated while serving as Head of the Multinational Force and Observers in the Sinai	4/17/84
JACKSON, Samuel C. (POSTHUMOUSLY) Civil Rights Leader, Public Servant, former Commissioner, Equal Employment Opportunity Commission, Assistant Secretary of Housing and Urban Development	11/19/82
KAHN, Herman (POSTHUMOUSLY) Author, Strategic Analyst, founder of Hudson Institute	1/18/89
KAMPELMAN, Max M. Public Servant, Diplomat, Counselor of the Department of State, former Ambassador to the U.S. Office for Arms Reduction Negotiations	1/18/89
KEOGH, Dennis W. (POSTHUMOUSLY) Public Servant, Diplomat, assassinated by terrorist's bomb in Namibia	7/9/84
KIRK, Russell Author, Lecturer, political philosophy	1/18/89
LOVELACE, Alan M. Public Servant, former Deputy Director of NASA, leadership role in the Space Shuttle Program	5/19/81
McLAUGHLIN, Ann Public Servant, Secretary of Labor	1/18/89
MARSH, John O., Jr. Public Servant, Secretary of the Army, Army paratrooper, former Congressman, Assistant Secretary of Defense, Assistant to the Vice President, Counsellor to the President	1/18/89
MATHEWS, Martin Humanitarian, working with the youth of St. Louis, Missouri	7/22/82
MICHEL, Bob Public Servant, Republican Leader, U.S. House of Representatives, of Illinois	1/18/89
MILLER, Paul C. Public Servant, Director, Ceremonies and Special Events, U.S. Army Military District of Washington, international authority on military and diplomatic ceremony	5/22/86
PATON, David, M.D. Ophthalmologist, Humanitarian, founder of ORBIS, an organization that travels the world in an aircraft that serves as classroom and operating room demonstrating ophthalmologic techniques to doctors and nurses	11/5/87

PRESIDENT REAGAN (Continued)

PIERCE, Samuel R., Jr. Public Servant, Secretary of Housing and Urban Development, former General Counsel, Department of the Treasury	1/18/89
POWELL, Colin L. Public Servant, Military Officer, Lt. General, U.S. Army, Assistant to the President for National Security Affairs	1/18/89
RAPHEL, Arnold Lewis (POSTHUMOUSLY) Public Servant, Diplomat, former Ambassador to Pakistan, died in a plane crash with the President of Pakistan	1/18/89
RIDGWAY, Rozanne L. Public Servant, Diplomat, Assistant Secretary of State, former Ambassador to the German Democratic Republic, Ambassador to Finland, Counselor of the Department of State	1/18/89
ROGERS, John F. W. Public Servant, Assistant to the President, oversaw improvements in the Executive Mansion and restoration of the Old Executive Office Building, structures of great historic value	2/12/85
ROWNY, Edward L. Public Servant, Special Representative for Arms Control and Disarmament Negotiations	1/18/89
RUTAN, Elbert L. Aircraft Designer, The Voyager, first aircraft to fly around the world non-stop without refueling	12/29/86
RUTAN, Richard G. Pilot, The Voyager, first aircraft to fly around the world non-stop without refueling	12/29/86
SPEAKES, Larry M. Public Servant, Assistant to the President and Principal Deputy Press Secretary	1/30/87
SPENCER, Stuart K. Political Consultant	1/18/89
STATTS, Elmer B. Public Servant, former Comptroller General of the United States	3/23/81
TAFT, William H., IV Public Servant, Deputy Secretary of Defense, former General Counsel of the Departments of Defense and Health, Education, and Welfare	1/18/89
TELLER, Edward Physicist, father of the free world's thermonuclear deterrent, founder of Laurence Livermore Laboratories	1/18/89
THURMOND, Strom Public Servant, U.S. Senator from South Carolina	1/18/89
TRULY, Richard H. Public Servant, Military Officer, Rear Admiral, U.S. Navy, astronaut, Associate Administrator for Space Flight, NASA	1/18/89
VALLADARES, Armando Human Rights Activist, exposed the horrors of the Cuban gulag	1/18/89
VOLPE, John A. Public Servant, former Governor of Massachusetts, Secretary of Transportation, Ambassador to Italy, Chairman of the Presidential Commission on Drunk Driving	12/13/83
WALTERS, Vernon A. Public Servant, Diplomat, Military Officer, Lt. Gen., U.S. Army, Retired, Representative of the United States to the United Nations, former Deputy Director of Central Intelligence, Ambassador-at-Large	1/18/89
WEEKS, Raymond "Father" of Veterans Day, helped in the campaign to change the name from Armistice Day, lifelong volunteer service to veterans	11/11/82
WHITEHEAD, John C. Public Servant, Diplomat, Deputy Secretary of State	1/18/89

PRESIDENT REAGAN (Continued)

WICK, Charles Z.		1/18/89
	Public Servant, Director of the United States Information Agency	
WRIGHT, Joseph R., Jr.		1/18/89
	Public Servant, Director of the Office of Management and Budget, former Deputy Director of OMB, Deputy Secretary of Commerce	
YEAGER, Jeana		12/29/86
	Pilot, The Voyager, first aircraft to fly around the world non-stop without refueling	

PRESIDENT BUSH

ATWOOD, Donald J.		7/3/91
	Public Servant, Deputy Secretary of Defense during Operations Desert Shield/Desert Storm, Persian Gulf	
BENSON, Ezra Taft		7/28/89
	Public Servant, former Secretary of Agriculture, leader of the Morman church, lifelong friend of the Boy Scouts of America	
BOSCHWITZ, Senator Rudy		6/4/91
	Public Servant, former U.S. Senator from Minnesota, helped facilitate the evacuation of thousands of Jews from Ethiopia	
BUCKLEY, William F. (POSTHUMOUSLY)		3/18/92
	Public Servant, CIA official, killed by terrorists in Lebanon	
EAGLEBURGER, Lawrence S.		7/3/91
	Public Servant, Diplomat, Deputy Secretary of State during Operations Desert Shield/Desert Storm, Persian Gulf, former Ambassador to Yugoslavia, Under Secretary of State for Political Affairs, Assistant Secretary of State	
FITZWATER, Max Marlin		1/19/93
	Public Servant, Assistant to the President and Press Secretary, former Assistant to the President for Press Relations, and Special Assistant to the President and Deputy Press Secretary for Domestic Affairs	
GATES, Robert M.		7/3/91
	Public Servant, Assistant to the President and Deputy for National Security Affairs during Operations Desert Shield/Desert Storm, Persian Gulf, former Deputy Director of Central Intelligence	
GRAY, C. Boyden		1/19/93
	Public Servant, Counsel to the President	
HAASS, Richard N.		7/3/91
	Public Servant, Special Assistant to the President for National Security Affairs during Operations Desert Shield/Desert Storm, Persian Gulf	
HIGGINS, William Richard (POSTHUMOUSLY)		3/18/92
	Military Officer, U.S. Marine Corps, killed by terrorists in Lebanon	
JEREMIAH, Admiral David E., U.S. Navy		7/3/91
	Military Officer, Vice Chairman, Joint Chiefs of Staff during Operations Desert Shield/Desert Storm, Persian Gulf	
KIRKLAND, Joseph Lane		11/13/89
	Labor Leader, President, AFL/CIO	
KERR, Richard J.		7/3/91
	Public Servant, Deputy Director of Central Intelligence during Operations Desert Shield/Desert Storm, Persian Gulf	
KIMMITT, Robert M.		7/3/91
	Public Servant, Under Secretary of State for Political Affairs during Operations Desert Shield/Desert Storm, Persian Gulf, former Deputy Assistant to the President for National Security Affairs, Executive Secretary of the National Security Council, General Counsel, Department of the Treasury	

PRESIDENT BUSH (Continued)

WOLFOWITZ, Paul D. Public Servant, Under Secretary of Defense for Policy during Operations Desert Shield/Desert Storm, Persian Gulf, former Ambassador to Indonesia, Assistant Secretary of State	7/3/91
ZALE, Tony Athlete, former middleweight boxing champion, Humanitarian, worked with the inner city youth of Chicago, Illinois	10/16/90

GRAND TOTAL: 73

THE PRESIDENT HAS SEEN 9/17

THE WHITE HOUSE

WASHINGTON

August 5, 1993

MEMORANDUM TO THE PRESIDENT

FROM: BILL BURTON

SUBJECT: Bill Sarpalius/Pantex

There are two choices on growth at the Pantex plant in Congressman Sarpalius's district, according to Deputy Energy Secretary Bill White:

- A big expansion of the bomb dismantling operation. The whole bomb-dismantling operation in the federal government is currently the subject of an environmental impact statement. What will likely result is the Rocky Flats plant closing and its operations being moved either to Pantex or to the Nevada test site. By picking Pantex, we make Sarpalius happy at the expense of Nevada. Bill White also cautions against undercutting the EIS being prepared.

- The second alternative involves creating a research facility at the Pantex plant, funded by the federal government, in conjunction with the University of Texas, to study long-term plutonium storage solutions. Bill White likes this idea; it can probably be funded out of current DOE budgets. Bill Turner, Sarpalius's AA (former Wright staffer) says Sarpalius is happy with this idea -- it will involve bringing high-tech jobs to Amarillo. White says this is something that can be done right away -- certainly in time for Sarpalius to take some election time credit for it. White likes this idea of "physicists on the prairie."

- UT, TA&M,
TT
- Fed Gov't
- duplication

THE PRESIDENT HAS SEEN 9/17

Mack

we need to

following up on whatever

we said we'd do

BC

THE PRESIDENT HAS SEEN 9/17/93

JIMMY CARTER

Tony
I want your
views on Liberia
B.

September 3, 1993

To President Bill Clinton

Sparing you most details, I send you this abbreviated report on my recent visits to Togo, Benin, Eritrea, Yemen, Saudi Arabia, and Albania.

Togo: To fulfill a previous promise, I returned to Lome' to join NDI in observing the scheduled election on the 25th. As explained in my messages to the president and prime minister of France, copied to you, we decided not to remain in the country to put our imprimaturs on a fatally flawed process. I made this decision reluctantly, and informed President Eyadema that we will continue our Center's humanitarian projects involving health and food production.

This decision was followed by all other international observers except the Chirac-controlled conservative wing of the French delegation. There is a general consensus that this group has been supporting Eyadema and his military regime, and they obviously used their influence to prevent any change in the election date. Their public statement, which we heard on Benin radio, was to the effect that stability in the country was of paramount importance. This was similar to the action taken by France in the discredited election in Cameroon. This is a truly regrettable event, with unpredictable consequences for the Togolese people.

Benin: Although the borders were closed to other travelers, we were permitted to drive to Cotonou without any problem. While awaiting a private plane in Benin, I accepted invitations to meet with President Soglo and former president Kerekou to explain the situation in Togo and to pursue our own projects in the country. Since we have been involved deeply in the Liberian peace process for several years, President Soglo gave me an update as chairman of ECOWAS. I then met with Trevor Gordon-Somers, the U.N. special negotiator for Liberia. I agreed with their urgent request to help obtain U.S. support for transporting two or three battalions of troops (a grand total of about 1000) into Liberia from Egypt, Uganda, Tanzania, or Zimbabwe, all of whom have agreed to supply this crucial element of the peace process. Charles Taylor's NPFL will never surrender their weapons to the antagonistic Nigerian dominated ECOMOG force. I also sent you a message about this.

Eritrea: I enjoyed long talks with Eritrean leaders with whom we negotiated for 20 days and nights in 1989. President Isaias Afwerke was proud of his country's independence and good relations with Ethiopia. Eritrea is a fine example of a people surviving a devastating war, establishing freedom, working harmoniously with its neighbors, moving toward democracy, and destined to be an increasingly important force for stability in the region. I share his concern at the lack of support from the U.S. Our total annual aid, including surplus food, (about $5 million) is less than one day of U.S. aid to Egypt.

Like Ethiopia's President Meles, Isaias is deeply concerned about the current situations in Somalia and Sudan. There are, at best, mixed signals on U.S./U.N. policy in Somalia, with most emphasis seeming to be on military action to kill or capture Aideed. Isaias commented that Aideed has been greatly strengthened by his worldwide fame as someone successfully contending with superpowers, making him something of a hero in Somalia. This lessens the already remote chance that tribal elders can induce him to leave the country. Nevertheless, Isaias would be willing to send a delegation to work with Aideed and his elders, and to encourage him to come to Eritrea, Yemen, or some other neutral place. If to Eritrea, Aideed would remain under protection while the allegations against him are assessed, not to be treated as an already convicted criminal being held as a prisoner. I was to get the same response from President Saleh in Yemen.

The Eritreans were pleased that there now seems to be an effort to involve regional African leaders in pursuing a peaceful effort with emphases on humanitarian relief and forming a government leading to democracy. The assembly of another conference in Addis of Somalian tribal elders excluding war lords would be a good idea.

Our Center monitors all the world's conflicts, and I consider Sudan to be the world's worst problem, in humanitarian terms exceeding Somalia, and a great threat to peace and stability in the entire region. Having completed a very successful wheat program in northern Sudan and having met with and negotiated extensively with the leaders, our Center enjoys a degree of confidence among them. As I reported to you earlier in August, we were making progress with the SPLA factions and Khartoum in putting together an effort for peace talks to replace the now terminated Abuja effort. Unfortunately, your recent addition of Sudan to the terrorist list has probably aborted this effort. Despite this setback, Isaias, Meles, the two SPLA factions, Turabi and other key leaders in the National Islamic Front and, more tentatively, the government in Khartoum still agree that peace talks in Eastern Africa are the best bet. Eritrea and Ethiopia, plus other countries in the Horn, deplore the increased isolation of Sudan, and believe that the highly focused and publicized anti-Sudan bias in Washington is shaped by excessive influence from Egypt.

Isaias will, I believe, become an eloquent spokesman for many people in the Third World. His highly critical but accurate speech to the OAU really shook up the other African leaders, and his forthcoming visit to the U.N. might be equally provocative. The Eritreans will be independent, pragmatic, and outspoken. Working with the Ethiopians, they can be a powerful force for moderation, peace, and democracy in the Horn of Africa.

Yemen: We have never had a more enjoyable and interesting experience than in Yemen, one of the world's most intriguing countries. Having miraculously unified the two antagonistic nations, the Yemenis have moved to a real working democracy. We met extensively with President Ali Abdullah Saleh and leaders of all three political parties, who exhibit strongly opposing views on some issues, but a common commitment to national unity, political harmony, and economic progress.

When I informed them about the facts, the president and Prime Minister Haider Abu Baker Al-Attas both acknowledged that Yemen had made a mistake in aligning itself with Iran, Iraq, China, and other Eastern bloc countries in opposing basic human rights issues at the world conference in Vienna. They all assured me that their delegation will support the establishment of a strong special commissioner for human rights in this year's general assembly. The State Department should capitalize fully on this. The Yemenis are very eager to have a good human rights reputation.

Their main concerns are derived from the aftermath of the Gulf War, with the U.S. and particularly Saudi Arabia exhibiting coolness because of Yemen's decision not to support the allied war against Iraq. A major remaining problem is the lack of progress on establishing the international border in the north eastern desert, where no sovereignty decision has ever been made. Since substantial oil discoveries have now been made in the region, ownership has become more important. I see no role for us to play, but was interested to learn that James Baker's law firm represents Yemen.

We traveled widely in the country, flying in a C-130 we helped the YAR obtain during the war with the PDRY when I was president. While visiting some of the desert sites, I was surprised to learn that Yasir Arafat had come to Sana'a in hopes that he could brief me on the latest developments in the Middle East negotiations. Knowing of my interest in the subject, both Arab and Israeli leaders have kept me informed since June about the secret talks in Oslo. Arafat's report was compatible with those I have received from Shimon Peres and others, beginning in June. Arafat described the areas of agreement in detail, saying several times that they were using "Camp David words" because the Israeli Knesset had already accepted the precise phrases.

He was concerned about the lack of support from the U.S. for these high level negotiations in Norway and our continued refusal to have direct communications with the PLO. He claimed that the Palestinian delegation in Washington was in complete harmony with the leaders in Tunis. Arafat was also hopeful that King Fahd would support the peace process with his influence and finances and that the Saudis would receive a personal briefing from the PLO. He had sent King Fahd a complete written report that day, and was going from Sana'a to meet with President Mubarak in Cairo.

That night at a U.S. embassy reception, I mentioned to the Saudi ambassador that I would like to discuss some issues with King Fahd when convenient, and this was quickly arranged.

Saudi Arabia: I had a surprisingly long session with King Fahd in his palace near Jiddah. He was familiar with the ongoing peace talks in Norway, having already received the letter from Arafat. He considered the Camp David accords and particularly the Fez agreement of 10 years ago to be the foundation for current progress. He assured me of financial and political support for the peace process, and of his willingness to approve a Saudi-PLO dialogue. When questioned, King Fahd went into great detail about the border dispute with Yemen. We then left for Albania, arriving in Tirana about 5 hours later than originally planned.

Albania: Having emerged within the last three years from 50 years of political oppression and several decades of almost total isolation, Albania has made remarkable strides in freedom and democracy. In one of the most troubled regions of the world, directly affected by the crises involving the Serbs and Bosnia, Macedonia, and Kosovo, the Albanian leaders are struggling to maintain peaceful relations with neighbors and at the same time protect the basic rights of hundreds of thousands of Albanians who live in these adjacent regions. For instance, Albanians comprise 90% of the population of Kosovo, totally dominated by Serbian forces.

Another severe headache for Albania comes from the Greek government, which seems to be doing everything possible to impede economic and political progress in the new democracy. U.S. influence might help to relieve some of this pressure. President

Sali Berisha, a former cardiologist whose party won an overwhelming victory 17 months ago, is an extraordinary leader -- forceful, popular, working well with opposition leaders, and totally dedicated to peace, democracy, human rights, and a workable free-market system. Land has been distributed to peasant families, a number of whom we visited on their farms; small businesses have already been privatized, and laws extending this process will soon be passed; religious freedom and other human rights are being honored; and the poverty-stricken people have an impressively exuberant spirit.

These past 8 days have reminded me how beneficial it would be for the leaders of these newly free and democratic nations to be seen as respected by you. The presidents of Benin, Eritrea, Yemen, and Albania might at least meet with the Secretary of State, the Vice President, and have a photograph with the President.

George Moose has asked for a briefing, so I hope the Secretary of State will share these comments with him. There is no need for you to acknowledge or respond to them.

Sincerely,

Jimmy

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

attn: Tony Lake, National Security Council

BL
No need to send letter but did we follow up w/ Sviridoff. Schulte's a friend. B.

THE WHITE HOUSE

WASHINGTON

~~June 4, 1993~~

David M. Schulte
Chilmark Partners
Two North Riverside Plaza
Chicago, Illinois 60606

Dear David:

~~I hope you will accept my deepest apology for the delay in responding to your letters. Your kind and encouraging words about the Zoe Baird nomination, though much has happened since then, mean a lot to me. Thanks.~~

I appreciate your strong recommendation of Mike Sviridoff. I'm certain he has much to offer our nation, and I have asked Bruce Lindsey, Director of Presidential Personnel, to look into it. I'm sorry for the delay in moving on it.

Please let me hear from you often, and I promise to write back more quickly.

Sincerely,

THE PRESIDENT HAS SEEN 9/7/93

JIMMY CARTER

Tony

Thank you

[illegible]

September 3, 1993

To President Bill Clinton

Sparing you most details, I send you this abbreviated report on my recent visits to Togo, Benin, Eritrea, Yemen, Saudi Arabia, and Albania.

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Sincerely,

Jimmy

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

attn: Tony Lake, National Security Council

THE PRESIDENT HAS SEEN 9/17/93

County official
wants to work
on NAFTA

Projects & Trading
Services Company

Stella Saenz
Executive President

2500 Tanglewilde, Suite 475, Houston, Texas 77063
Tel: 974-2902 Fax: 974-4778

Brazil -
Business often
around Conroe
TX

THE WHITE HOUSE
WASHINGTON

cc: NSS
cc: Ann Stock
cc HRC

[redacted]

Dinner List future invitation

Walter + Ann Pincus
Lee Williams + wife
DC leading supporters -
G. Calm get list from
John & Barbara Holum
Carl & Sue Wagner

[redacted]

B.

93 SEP 17 A8:20

[redacted]

THE WHITE HOUSE
WASHINGTON

[redacted]

93 SEP 16 A11 : 55

September 16, 1993

TO: THE PRESIDENT

FROM: TONY LAKE

The attached is an advance copy for your information. We are preparing a response for your signature (quickly).

[redacted]

[redacted]

[redacted]

THE PRESIDENT HAS SEEN 9/17

JIMMY CARTER

September 15, 1993

To President Bill Clinton

Rosalynn and I were delighted with our visit to the White House and an opportunity to spend some private time with you and Hillary. You were very gracious with this personal invitation. For the first time in 12-1/2 years, I was able to enjoy at first hand the reminiscences that could only come with this return to our old home. Our pleasure was magnified, of course, by participating in the historic peace ceremony on the South lawn and the chance to join with you and other presidents in supporting the NAFTA crusade.

As I reported to you, my meeting yesterday with Warren Christopher and Tony Lake was completely successful in exploring ways to enhance understanding and cooperation among the White House, State Department and The Carter Center. I am confident that this will be mutually beneficial in areas of common interest where a non-governmental organization like ours can play a special role.

To summarize some of the discussions we had night before last, let me include a few additional paragraphs, most of which I will also share with Secretary Christopher.

We might be good at this.

* Needless to say, I will be eager to help when needed in furthering the peace process in the Middle East. One obvious need will be for assisting in the orchestration and monitoring of the scheduled election in the West Bank and Gaza. Since the first meeting in Madrid, the Palestinians have been making this request. Additionally, I may be making some visits to the area in the future, and would be available to share comments with the Syrians or others. Aware of the sensitivity of such encounters, any activities of mine will be carefully cleared with your administration in advance. In fact, since the Madrid talks began, I have refused all requests for travels to the Middle East.

SEP-16-93 THU 11:11 CARTER PRESIDENTIAL CTR.

* You asked about how to help with security for Yasir Arafat during the coming months. As you may know, we have a superb Secret Service facility in Beltsville, Maryland, in which Israelis and others have been trained when there were extraordinary threats to their leaders. The Palestinians could be offered this instruction and, in addition, furnished with such specialized equipment as a small secure radio system which they may not have.

* I had a call last night from President Aristide, who was distressed about the apparently condoned assassinations of his closest friend and supporter, Antoine Ismeri, and almost a dozen others. I knew Antoine personally and have visited in his home in Port au Prince. He was one of the few wealthy Haitians who was genuinely concerned about his poverty stricken countrymen, who support Aristide overwhelmingly. There is no doubt that the planned return of Aristide to Haiti late in October will only be possible with strong and active support from the United States.

* Although we have long been involved in Liberia and a number of other African countries, my primary interest in the peacekeeping field continues to be Sudan. Despite the serious interruption of our effort by the placement of Sudan on a terrorist list, we will pursue the sequential goals of a) an accommodation between the warring SPLA factions; b) a general cease-fire involving the Khartoum government; c) a structure of government within the three southern provinces, and then d) a comprehensive agreement for an interim period of perhaps 3-5 years during which such basic problems of the Shari'a law and self-determination might be resolved. We have been deeply immersed in these extremely complicated issues for more than five years, and official U.S. policies can be either constructive or destructive. It is obvious that a coordination of interests is desirable if we are to have a chance to resolve this most serious of the world's tragedies.

* The Somalian situation is already difficult and can easily deteriorate further, both in Mogadishu and in the political arena at home. Like you, I have been appalled at the recent emphasis on the assassination or capture of General Aideed which has resulted instead in the killing of large numbers of civilians. History has shown that leaders such as Castro, Khadafi, Saddam Hussein, Arafat, and others can seldom be eliminated when surrounded by loyal supporters. I don't have any solution to this problem, but hope that a more peaceful path might be considered by your administration and U.N. officials. We would be available to help if needed.

* Madeline Albright has promised to send me information about existing plans on how the Iraqi impasse might be resolved. It is not appropriate to continue the punishment of the citizens of that country, already terribly oppressed by their obnoxious leader. To predicate our ending their suffering on the death or downfall of Saddam Hussein might result in the extended deprivation of an entire population for decades, as has been the case in Cuba.

* In Ethiopia, our Center has a wide array of programs already underway. I have spent many days and nights personally in helping to bring about peace and a resolution of the Eritrean- Ethiopian problem. Here, the U.S. government has a direct involvement through normal diplomatic channels. One special need that is not yet being adequately addressed is the encouragement of the Oromo Liberation Front (OLF) leaders to participate with Meles Zinawe's interim government in the ongoing preparation of a national constitution, the election of a constituent assembly, and the formation of a permanent democracy. So far, the OLF have been given mixed signals from our country and in Europe, and thereby encouraged to disrupt the processes outlined above. Here again, we are already involved and would like to work cooperatively with the State Department.

* I am sure you agree that, as a general principle, even when we have confrontations with the most disreputable adversaries, including Castro, Aideed, Saddam, Khadafi, Bashir, and Charles Taylor, it is necessary to devise peaceful options that permit them to save face while meeting legitimate demands. The most recent case, of course, has been the prohibition of communication with Yasir Arafat and the PLO.

* Finally, let me thank you for your positive response to my concern about U.S. cigarette sales in foreign countries. This is by far the greatest threat to global health, with the most ignorant and defenseless people being the cruel victims of American callousness and greed. You mentioned in your recent note to me that Mickey Kantor and Donna Shalala are personally working on this issue. I hope you will read the article in The New Yorker of 9/13, which makes clear how vital the attitude of our government will be. If possible, this is a more important issue than NAFTA.

Thank you again for your hospitality and for your giving me the opportunity to share with you some of my own thoughts about issues of the day. Call me when you need me.

Sincerely,

Jimmy Carter

The Honorable Bill Clinton
The President of the United States
The White House
Washington, D.C. 20500-2000

THE PRESIDENT HAS SEEN
9-15-93

THE WHITE HOUSE

WASHINGTON

Show picture
to HRC

THE WHITE HOUSE

WASHINGTON

September 15, 1993

George and Oma Morris
604 East Park Avenue
Searcy, Arkansas 72143

Dear George and Oma:

Thank you for your note and for sending the copy of the White County Fair Prevue. I don't know how you feel, but I sure looked a lot younger back then!

See you soon.

Sincerely,

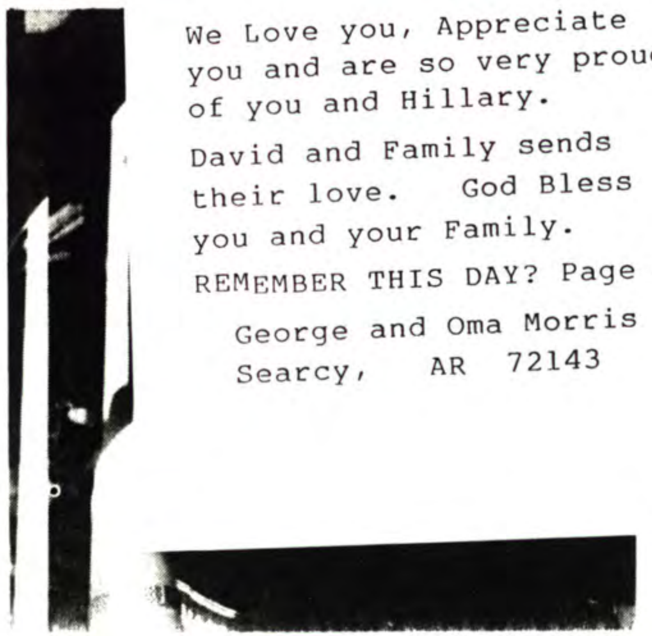
Bill

We Love you, Appreciate you and are so very proud of you and Hillary.

David and Family sends their love. God Bless you and your Family.

REMEMBER THIS DAY? Page 4

George and Oma Morris
Searcy, AR 72143



Shay Crain

Shay Crain, 17 years of age, is the daughter of Teresa and Gary Crain of Searcy.

She is a senior at Harding Academy where some of her activities are cheerleading and choir. After high school, she plans to attend the Art Institute of Dallas to take a course in photography.

Shay attends church at First General Baptist and is active in the youth group. She loves singing, dancing, and playing the piano. She also enjoys doing charity work for Searcy Good Samaritan Home.

Her sponsor is the Amas de Casa Family and Community Education Club.

Little did he realize that he was transporting our future president and first lady when George Morris of Searcy drove them in the White County Fair Parade in September, 1982.

SPECIAL THANKS

The Fair Board would like to express appreciation to Jim King, Owner, King Computer Sales and Service, for their assistance in computerizing fair records for the 1992 Fair.

The White County Fair has recently been selected as one of the Top 10 County Fairs in the Nation.

THE WHITE HOUSE
WASHINGTON

DATE: 9/16

NOTE FOR: Bob Rubin

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

Information ☐
Action ☑

See P notere: ~~B~~ Sen. Boxer

Thank you.

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

cc:

Notes from meeting in Alameda - very specific ideas for Calif eg. from Br Boxes should follow up on these ideas

① Feinstein
- Everett, Wash bad Econ:
- Targeted Aid - Strategy
- Calif Strategy

② Boxer
- Cal - 1st 2 66,000 - 60% (? - Reat Hi)
- Cal - 30 32,000 - 40%

- Hamilton AFB closed 20 yrs - still there B

① get # for Presidio
② [illegible] to St Univ of Cal
③ DFAS - 2 Vallejo / San Ber
④ [illegible] - Moffett Field
⑤ Target [illegible] tech
⑥ Fund Advanced Tech Bus.
⑦ Cal Start - Elect Car
⑧ EZ -> Target - 2 to Cal
⑨ Conversion clearing house

4 3.5 3
5 6 7
20 - 21 - 21

③ Miller
- Mare Is [illegible]
- Mare Is & Charleston 1st [illegible] of Nuc Yard
- 2 DFAS

④ Cal [illegible] et al
- [illegible] Alameda [illegible] Test Car
- wants to be Silicon Valley of [illegible]
- Pacific [illegible]: [illegible] in [illegible] [illegible] commercialization process

⑤ Alameda Mayor
- [illegible]

THE PRESIDENT HAS SEEN
9.16.93

THE WHITE HOUSE

WASHINGTON

Pastor

Bob Menendez

really concerned
about status of
$ for Radio/TV Marti

can it be saved?

THE WHITE HOUSE
WASHINGTON

Terry Good
Please see
me
about these
John
9.16.93

În arhiva
ta [illegible]
[illegible]
[illegible]
[illegible] B

Notes from
talks w/ senators
before ~~[illegible]~~,
Reconciliation
in a [illegible]

THE PRESIDENT HAS SEEN 9/16

THE WHITE HOUSE

WASHINGTON

September 7, 1993

D. Gergen 9/16/93

MEMORANDUM FOR THE PRESIDENT

FROM: David Gergen DG

SUBJECT: Ron Brown

Someone in the press has finally had the guts to stand up for Ron Brown. If you have a chance, I'm sure Ron would appreciate a follow-up call. The stories about this episode have been difficult for him.

I called him

THE PRESIDENT HAS SEEN 9/16

THE WHITE HOUSE

WASHINGTON

September 15, 1993 P7 : 28

Send notes to Archer, McPhail, Sharon + Wodele + call a friend in Minn?

Linda Moore / Joan Baggett ✓ 9/16/93

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: Linda Moore, Political Affairs

SUBJECT: Results of Primary Elections Held on Tuesday, September 14, 1993

The cities of Detroit, Minneapolis and St. Paul held open mayoral primaries yesterday. The general elections will be held 11/2/93. The results are summarized below.

send note?

DETROIT. Former Michigan Supreme Court Justice Dennis Archer (D) and Wayne County assistant prosecutor Sharon McPhail (D) placed first and second, with 53% and 26% of the vote, respectively. Archer led by wide margins consistently throughout the race. They will proceed to the general election, which Archer is clearly favored to win. You will recall that Archer was one of your earliest supporters. so was she / tho I've known her long.

Arthur Blackwell (D), Chair of the Wayne County Board of Commissioners, placed third with 12% of the vote. Blackwell had the support of outgoing Mayor Coleman Young's (D) organization. Although Young did not publicly endorse Blackwell, local organizations under Young's control did and it was clear in the closing days that Blackwell had Young's support. Political insiders believe that the principle reason that Young chose Blackwell over Archer was due to Archer's close ties with Wayne County Executive Ed McNamara and the "DLC" wing of the Party.

~~send note?~~

MINNEAPOLIS. City Council member ~~Sharon Sayles Belton (D) and former~~ Hennepin County Commissioner John Derus (D) placed first and second in yesterday's open primary, with 28% and 20% of the vote, respectively. They will proceed to the 11/2/93 general election.

City Councilman Steve Cramer (D) and Deputy Mayor Rip Rapson (D) placed third and fourth, each with about 16% of the vote. State Representative Richard Jefferson (D) placed fifth with 7% of the vote and John Wodele (D), Executive Assistant to the Ramsey County Attorney and coordinator of your Minnesota primary and general election campaigns, was a close sixth, also with about 7% of the vote. The remaining vote was divided by several minor candidates.

The state DFL party did not endorse a candidate in the primary because none of the candidates received the necessary 60% of the vote at the June DFL convention. Derus is a very conservative anti-choice Democrat and observers predict that the DFL will endorse Sayles-Belton for the general election and that she will win the race.

ST. PAUL. Assistant State Attorney Norm Coleman (D) and state Representative Andy Dawkins (D) placed first and second in yesterday's open primary with 29% and 20% of the vote, respectively, and will proceed to the 11/2/93 general election. Dawkins was endorsed by the state party at its June convention. Many predicted that Dawkins would not win a slot in the runoff after he admitted in a television interview last week to having smoked marijuana in the past five years, so his second place showing was something of a surprise.

Former City Councilman Ray Faricy (D) placed third with 20% of the vote, followed by former Lt. Governor Marlene Johnson (D) with 14% of the vote and real estate developer John Mannillo (D) with 10%.

ABOARD AIR FORCE ONE

To VP

93 FEB 16 P3:00

as I told you I think
Speaker Foley
is very opposed to
consolidating
food inspection
under FDA -

Will have
to be dealt w/

B

ABOARD AIR FORCE ONE

93 SEP 16 P3:00

Bob Rubin

Sen Alan Patricof
wants - Biotech folks
upset w/ Treas. Reg 5382
which they say will
slow start ups by taking
away tax losses -
Pls look into
Advise

BC

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. note	POTUS to Mack and Mark Middleton (1 page)	09/03/1993	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
John Podesta (Chron Files)
OA/Box Number: 1391

FOLDER TITLE:

September 12-18, 1993 [1]

2018-0662-S
rs3068

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

follow up on meeting with
~~[illegible]~~ MLK Comm yesterday

---

check on this bill
re: Indian Religion Rights
are we for it?

B.C.

Religious Freedom for
Native American Act
They say [illegible] for it, including
at Justice "wholeheartedly" joining in spon-
Abourezk

B Nussbaum

Pls advise

B.

chron

THE WHITE HOUSE
WASHINGTON

[redacted]

DATE: 9/16

TO: Howard / Lee Ann

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

Are you forwarding TY's?

[redacted]

[redacted]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

September 15, 1993

3 SEP 16 A10: 18

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Senate Appropriations Committee Approval of FY 1994 Foreign Operations Bill

On September 14, the Senate Appropriations Committee approved the FY 1994 Foreign Operations Bill. The bill is expected on the Senate floor next week.

Full Committee Chairman Byrd and Subcommittee Chairman Leahy bent over backwards to emphasize that the bill could not have been completed without the help of Senators Inouye and Sasser. You may wish to send thank you notes to all four of them. Highlights follow:

- The bill totals $12.5 billion in discretionary budget authority, $1.9 billion below the request, $1.3 billion below FY 1993, and $.4 billion below the House.

- The bill includes $2.5 billion for aid to the New Independent States, including $1.6 billion in FY 1993 funds. At the request of Senator McConnell and with Chairman Leahy's support, $.3 billion is earmarked for the Ukraine. Unlike the House, the Senate bill does earmark the assistance for specific purposes, which could limit flexibility in implementing the program.

  The Committee approved a 602(b) reallocation to shift $979 million in FY 1993 budget authority and $210 million in FY 1994 outlays from the Defense Subcommittee to Foreign Operations.

  Chairman Byrd indicated his support for trying to get the bill sent to you by September 30 so that the FY 1993 budget authority is available.

- $3 billion is earmarked for Israel and $2.1 billion for Egypt.

- The bill includes an amendment to the Budget Enforcement Act which exempts from the caps for one-year (FY 1994 only) the scoring of the subsidy cost of Israeli loan guarantees (CBO had scored $170 million).

- There may be a Byrd floor amendment to restrict aid to Russia pending certain tests being met for removing troops from the Baltics.

- Both the House and Senate versions of the bill reduce the number of legislative restrictions on executive authority in the operation of foreign affairs. In the FY 1993 bill, there were 108 general provisions. In Chairman Obey's FY 1994 bill there are only 50. Chairman Leahy was not quite so successful. The Senate version of the bill contains about 77 general provisions.

- While using all outlays under its 602 (b) allocation (CBO scoring), the Subcommittee is $1.3 billion under their 602 (b) for budget authority. It will be interesting to see whether the full Committees decide to reallocate the unused budget authority to the domestic subcommittees.

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 9/16

TO: Roy Neel; Stephanie Street

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

[redacted]

Can you get back
to Peter on these?
Thanks
John

[redacted]

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

September 9, 1993

Mr. John Podesta
Assistant to the President
and Staff Secretary
The White House
Washington, D.C. 20500

Dear John:

I am enclosing a request from Dr. Leonard Duhl for the President to attend, or, much more likely to videotape a five or six minute message to a Worldwide Conference on Healthy Cities that is being held in San Francisco in December.

I am not sure how to pursue this, so I am sending it to you. It would certainly be worthwhile if the President could possibly spare the time to do this.

Can you let me know? All the best.

Sincerely,

Peter

Peter B. Edelman
Counselor to the Secretary

WESTERN CONSORTIUM FOR PUBLIC HEALTH
Conference Office:
2151 Berkeley Way
Annex 11, Third Floor
Berkeley, CA 94704 USA

Phone: (510) 540-2960
Fax: (510) 540-3472
Telex: 6714622 WCFP

International Healthy Cities & Communities Conference:
Improving the Quality of Life

New Number 510-540-2412
New Fax 510-655-2971

President Bill Clinton
1600 Pennsylvania Ave., NW
Washington, DC 20500

August 13, 1993

Dear President Clinton,

I am writing to invite you to provide the opening presentation at the first International Healthy Cities and Communities Conference. It will be held in the San Francisco Bay Area December 8-11, 1993. Over 1500 participants from the US, Canada, Latin America, Asia, Australia, Europe and Africa are expected to attend. UNICEF is bringing Mayors from cities all over the world and other national and international agencies are sponsoring the participation of multi-sectoral teams from many communities.

Over the past seven years, the Healthy Cities movement evolved from a World Health Organization program in 36 cities into a network now including over 1000 communities worldwide. These diverse communities are responding to urban crisis situations by developing locally relevant solutions. They mobilize untapped talent and orchestrate human resources to define priorities and solve problems collaboratively.

The goal of this first global conference is to share successful models and strategies and give participants a forum to tell their stories of making a difference in housing, education, economic development and more. As you well know, there are broader determinants of health and well being than medicine and these involve self determination and participation.

We would like you to affirm the importance of community in improving health, the quality of life, environment and the lives of people. It would be a chance to tell conference participants representing a wide variety of communities around the world how their vitality and commitment can provide the leadership needed to build healthy communities. Your message could set the tone for our gathering and stimulate the expansion of these critical collaborative efforts.

We have previously asked if you could join us and heard Phil Lee would be representing you. If you are unable to speak in person, please consider sending a message of five or six minutes on video. We would like Peter Edelman to introduce you. A welcome and address from you, even in this form, would make a major contribution to our meeting.

Thank you for your consideration and fine leadership.

Sincerely,

Len Duhl

Leonard J Duhl, MD
Professor, School of Public Health and Urban Policy
University of California at Berkeley

CC: Peter Edelman

Encl.
announcement

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

September 9, 1993

Mr. John Podesta
Assistant to the President
and Staff Secretary
The White House
Washington, D.C. 20500

Dear John:

I do not quite know how to get this question asked and would appreciate it if you could help me. Attached is an invitation from the New Israel Fund for the President and Mrs. Clinton to attend for dinner on October 19. In fact, they would be delighted if either the President or Mrs. Clinton could attend and would be pleased to have a brief drop-in visit from either of them. I will send this to Mrs. Clinton's office as well for her consideration.

I would be glad to explain the New Israel Fund in greater detail if someone wants more information.

Thanks for passing this along.

Sincerely,

Peter

Peter B. Edelman
Counselor to the Secretary

NEW ISRAEL FUND

1101 15th Street, NW
Suite 304
Washington, DC 20005
(202) 223-3333
FAX (202) 659-2789

FACSIMILE TRANSMITTAL COVER SHEET

DATE: August 23, 1993

TO: Peter Edelman

FAX #: (202) 690-7595

FROM: Aviva Meyer

NUMBER OF PAGES {Including cover sheet} 3

Please call (202) 223-3333 if there are problems with transmission or to confirm receipt. Thank you.

MESSAGE:

PE — Attached is a copy of our letter to the President + Mrs. Clinton. Anything you can do to help would be appreciated.
7-8 reception } Oct 19
8 dinner

Thanks.
ASM

הקרן החדשה לישראל

liberties bar in Israel. The program was recently featured in "The Jewish Week" (see atttached article).

Please feel free to have your office call me if you would like to know more about the Fund. I hope to be able to welcome you on October 19th.

Sincerely,

Norman Rosenberg

Norman S. Rosenberg
Executive Director

cc: Sara Ehrman
DNC
430 South Capitol Street, S.E.
Washington, D.C. 20003

RM

[redacted]

THE WHITE HOUSE
WASHINGTON

DATE: 9/16/93

TO: Bob Rubin
Sandy Berger
Tom Kalil

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

[redacted]

[redacted]

6776

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
9-15-93

P 10 A7:43

September 10, 1993

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE

SUBJECT: Letter to CEOs Concerning Export Control Reform

Purpose

To describe the Administration's progress towards export control reform to the CEOs with whom you met on Wednesday.

Background

Following your meeting Wednesday with CEOs from a number of high-tech firms, you asked that a letter be drafted for them concerning the Administration's progress in reforming export controls. At Tab A is a proposed letter.

The letter conveys a sense of the specific steps that are likely to be included in the September 30 TPCC report. It also refers to the Administration's broader agenda for export control reform.

Because the letter is likely to receive broad public distribution, it does not include the specific numbers (e.g., computer liberalization to 110 MTOPS), which have yet to go through full interagency clearance or to be broached with key COCOM allies. Nonetheless, we expect the letter to impress the business community as a significant step towards liberalization.

RECOMMENDATION

That you sign the letter to the CEOs at Tab A.

This must be significant

OTHERS TO BE PENNED

Attachment
Tab A Letter to CEOs

THE WHITE HOUSE

WASHINGTON

Dear Edward:

Thanks for taking the time to come by for lunch on Wednesday. It was good to see you -- and it was a pleasure to get your insights.

I wanted to bring you up to date on a topic we were not able to discuss at lunch: the issue of export controls. As you know, for some time the United States has imposed stringent exports controls on many of our most competitive exports. By some estimates, unnecessary export controls cost U.S. companies $9 billion a year in lost sales. One reason I ran for President was to tailor export controls to the realities of a post-Cold War world.

Let me be clear. We will continue to need strong controls to combat the growing threat of proliferation of weapons of mass destruction and dangerous conventional weapons, as well as to send a strong signal to countries that support international terrorism. But we also need to make long overdue reforms to ensure that we do not unfairly and unnecessarily burden our important commercial interests.

In that regard, I wanted you to know that we hope to announce some important reforms by September 30. As you may know, Commerce Secretary Ron Brown has been leading a process within the Trade Promotion Coordinating Committee (TPCC) to examine how we might better promote U.S. exports. As part of that process, the National Security Council has led an effort to develop specific export control reforms. I hope to announce those when the TPCC issues its report on September 30.

We have not yet finalized all of these reforms, because I want to be sure that they get a full interagency review. But I am optimistic that the steps we take will help liberalize controls on many of our most competitive exports, while protecting our important national security concerns. Let me give you a sense of the reforms we are considering:

- **<u>Liberalize Computer and Telecommunications Controls</u>.** When this Administration began, the U.S. controlled any computer with a capacity above 12.5 MTOPs. My administration is in the process of raising that level to 67 MTOPs for most free world countries, relieving well over $3 billion of computer exports each year from the need for a license. By September 30, I hope to raise that level further -- and also announce important liberalizations for telecommunications exports to most free world destinations.

- **Reduce Processing Times.** Delays in processing export control licenses is a burden on business -- and a legitimate gripe against the Federal government. I hope to announce significant reductions in the time it takes the government to process export license applications.

- **Expand Distribution Licenses.** We hope to expand significantly the availability of distribution licenses for controlled computers so that exporters need not come back repeatedly to the Federal government for a license.

- **Eliminate Unnecessary Unilateral Controls.** Controls imposed only by the U.S. (and not by competitor countries) at times can put our exporters at an unfair disadvantage as competitor companies export like products freely. I expect to announce that, by December 31, my administration will identify and eliminate wherever possible unnecessary U.S. unilateral export control policies.

I expect that these reforms will help liberalize controls on tens of billions of dollars worth of U.S. exports. It can help unleash our companies to compete successfully in the global market.

These reforms fit into a broader framework. Soon we will complete our review of nonproliferation and export control policy, which will set guidelines for further steps we should take. I am also currently engaged in seeking major reforms to COCOM, which should lead to significant liberalization of controls on computers, telecommunications and machine tools, while establishing a more effective structure for addressing the changing national security threats we will face in the years ahead.

Let me assure you that I am personally committed to developing a more intelligent export control policy, one that prevents dangerous technologies from falling into the wrong hands without unfairly burdening American commerce. It is important. It is the right thing to do. And many of these changes are long overdue. I look forward to working with you in building a new consensus around an effective export control policy that meets these objectives.

Sincerely,

Bill Clinton

Mr. Edward McCracken
Chief Executive Officer
Silicon Graphics
2011 North Shoreline Drive
Mountain View, California 94039-7311

Segal

THE PRESIDENT HAS SEEN
9.15.93

JP

told
verbally

FW

THE WHITE HOUSE

WASHINGTON

[redacted]

September 15, 1993

MR. PRESIDENT:

Attached is a decision memo from Eli concerning the name of the National Service Corps. In addition to the views noted in Eli's memo I also asked Mandy, Stan, Carville and George their views and they all prefer Americorps to CorpsAmerica. I also raised the idea of capitalizing the C to make it AmeriCorps to lose some of the bank card flavor and those four all favor that option as well. Your call.

John

John Podesta

I also sent this to HRC and Maggie, but have not heard back.

[redacted]

Americorps

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
9-15-93

'93 SEP 15 A9:43

September 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: ELI SEGAL

SUBJECT: NAME FOR NATIONAL SERVICE PROGRAM

I. ACTION FORCING EVENT: Next Tuesday, September 21, you will sign the National and Community Service Act of 1993 into law. As I discussed with you on the way to the Summer of Service Forum, we would like to unveil the name for your new program at that event.

II. BACKGROUND/ANALYSIS: You had approved the name "Americorps"; Roy Neel, David Gergen and others subsequently suggested "CorpsAmerica".

Argument for CorpsAmerica: Some believe that "Americorps" sounds too much like a corporation (an amorphous conglomerate or a bank card), while "CorpsAmerica" has the advantage of the full spelling of America (more patriotic) and allows a variety of marketing twists ("the core of America", etc.).

Argument for Americorps: Some (particularly Skip Rutherford, Diana Aldridge in our office and the Commission on National and Community Service) prefer Americorps because of its clearer tie to historical antecedents: "from Conservation Corps to Peace Corps to Americorps". (Interestingly, Sarge Shriver prefers CorpsAmerica, despite this.)

III. RECOMMENDATION: I just want to move forward; I recommend CorpsAmerica, but would be perfectly happy to stick with Americorps if that is your preference. We need to know as soon as possible, to get the banner done in time for Tuesday.

IV. DECISION:

_____ CorpsAmerica

✓ _____ Americorps

_____ Don't announce name on the 21st and focus group/poll

THE WHITE HOUSE

WASHINGTON

September 23, 1993

MEETING WITH STAFF OF THE
OFFICE OF NATIONAL SERVICE

DATE: Thursday, September 23, 1993
LOCATION: Oval Office
TIME: 3:00 p.m.
From: Eli J. Segal

I. PURPOSE

You will meet with the staff from the Office of National Service to thank them for their dedication and hard work in passing the national service legislation and start-up of the corporation.

II. BACKGROUND

The majority of the staff will be leaving the White House next month to join the new Corporation on National and Community Service and to run AmeriCorps.

III. PARTICIPANTS

See attached list

IV. PRESS PLAN

White House photographer only

V. SEQUENCE OF EVENTS

Eli Segal will introduce each staffer to you for an individual photo, followed by a brief chat with everyone.

IV. REMARKS

You should thank everyone for their commitment to your national service plan and encourage them to keep up their enthusiasm as the new Corporation begins.

PARTICIPANTS FOR MEETING WITH NATIONAL SERVICE STAFF MEMBERS

Eli J. Segal
Karen Ewing
Rick Allen
Jack Lew
Sarah Whitman
Phil Caplan
Jina Sanone
Diana Aldridge
Rana Sampson
Shirley Sagawa
Ethan Zindler
Kate Frucher
Chris Gallagher
Jim Kreidler
Nancy Rubin
Sharon David
Janet Green
Laura Gassner
David Henkel

THE PRESIDENT HAS SEEN
9-15-93

THE WHITE HOUSE

WASHINGTON

September 15, 1993

MR. PRESIDENT:

Attached is a decision memo from Eli concerning the name of the National Service Corps. In addition to the views noted in Eli's memo I also asked Mandy, Stan, Carville and George their views and they all prefer Americorps to CorpsAmerica. I also raised the idea of capitalizing the C to make it AmeriCorps to lose some of the bank card flavor and those four all favor that option as well. Your call.

John

John Podesta

I also sent this to HRC and Maggie, but have not heard back.

Americorps

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
9-15-93

93 SEP 15 A9:43

September 15, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: ELI SEGAL ES

SUBJECT: NAME FOR NATIONAL SERVICE PROGRAM

I. ACTION FORCING EVENT: Next Tuesday, September 21, you will sign the National and Community Service Act of 1993 into law. As I discussed with you on the way to the Summer of Service Forum, we would like to unveil the name for your new program at that event.

II. BACKGROUND/ANALYSIS: You had approved the name "Americorps"; Roy Neel, David Gergen and others subsequently suggested "CorpsAmerica".

<u>Argument for CorpsAmerica</u>: Some believe that "Americorps" sounds too much like a corporation (an amorphous conglomerate or a bank card), while "CorpsAmerica" has the advantage of the full spelling of America (more patriotic) and allows a variety of marketing twists ("the core of America", etc.).

<u>Argument for Americorps</u>: Some (particularly Skip Rutherford, Diana Aldridge in our office and the Commission on National and Community Service) prefer Americorps because of its clearer tie to historical antecedents: "from Conservation Corps to Peace Corps to Americorps". (Interestingly, Sarge Shriver prefers CorpsAmerica, despite this.)

III. RECOMMENDATION: I just want to move forward; I recommend CorpsAmerica, but would be perfectly happy to stick with Americorps if that is your preference. We need to know as soon as possible, to get the banner done in time for Tuesday.

IV. DECISION:

______ CorpsAmerica

✓ Americorps

______ Don't announce name on the 21st and focus group/poll

[redacted]

[redacted]

Brilliant
CC Bruce
call 1 Do their
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FOB - Georgetown
B

[redacted]

THE WHITE HOUSE

WASHINGTON

September 9, 1993

Martha Howell
Professor of History
Columbia University
763 Schermerhorn Extension
New York, New York 10027

Dear Martha:

Thank you for your letter and for sending the curriculum vitae.

I appreciate your sharing with me your concerns about humanities education and research in our country. I also appreciate your interest in serving as a member of the Advisory Board of the National Endowment for the Humanities. Your willingness to do that is evidence of the commitment you have to seeing us forthrightly deal with these very important issues.

I have taken the liberty of forwarding your letter to Bruce Lindsey, Director of Presidential Personnel.

Sincerely,

Bill

Thanks for writing
I'll see what I can do -

Columbia University in the City of New York | New York, N.Y. 10027

INSTITUTE FOR RESEARCH ON WOMEN AND GENDER
AND WOMEN'S STUDIES PROGRAM

Director: Martha Howell

9/7

August 31, 1993

The Honorable William J. Clinton
The White House
Washington, D. C.

Dear Mr. President,

I am writing as a scholar and teacher of the humanities who is dismayed with the level of the discourse about higher education that has been conducted for at least the last decade in this country. The quality of our institutions of education, the clarity of our commitment to teaching and intellectual exploration is one of the standards by which our society must be -- and will be -- judged.

The National Endowment for the Humanities has come to symbolize much that is wrong with our intellectual life. In the attached statement I have briefly described what I think is the crisis in humanities education and research, the role the NEH has played in exacerbating it, and why you should care about it. Here I would simply like to ask you to think about including me in your efforts to restore to the NEH the dignity it should have. Since I cannot at this stage of my life consider a full-time position away from New York, I would like instead to work with the NEH as a member of the Advisory Board. Should you be recommending individuals with qualifications such as mine to these posts, I would like to be considered.

I have enclosed a curriculum vitae which summarizes my scholarship and teaching as well as my experience in organizing university curriculum and scholarly research.

Thank you for your consideration.

Respectfully yours,

Martha Howell

Martha Howell
Professor of History

Higher education in the liberal arts is under attack in this country. The criticism has come from many fronts, both inside and outside the academy, and has been framed in various ways, but it boils down to a claim that university and college faculties have abandoned humanism -- that literary scholars, historians, philosophers, political theorists, and other students of religion and culture have given up their traditional task of exploring the human capacity for artistic and literary creativity, moral reasoning, and ethical action as well as the historical products of those quintessentially human endeavors. This is wrong, but those who have mounted the attack -- the NEH included -- have done real damage to the academy and to the young people who are now students in our colleges and universities.

This is not the place to review the tactics of the NEH leadership -- which range from deliberately obfuscatory attacks on "political correctness" to wilful refusals to grapple with contemporary social and cultural theory. Nor is there space here to discuss the underlying reasons for the attacks -- intellectual insecurity, fears of losing social position, and even resistance to making people of color and women full members of the intellectual community. I do want, however, to dwell for a moment on the costs we have incurred as a nation because the NEH has failed to provide responsible leadership.

As we enter the twenty-first century, we face the formidable task of rebuilding ourselves as a political, social, and ethical community. To do so, we will have to equip the next generations with technical skills of all kinds, and we will have to organize ourselves so that the training is available across the social spectrum. But this education will not succeed if we do not simultaneously engage the debate about the kind of ethical community we want to be, if we do not value and nurture the intellectual skills needed to create and evaluate our human culture. We will not succeed in redefining ourselves as a people unless we are willing to include everyone in this process -- new and old generations, people of color, immigrants, women -- unless we not only allow, but encourage, experimentation, dissent, and critique.

Rather than leading the reformation we need, the NEH has used a combination of repressive action and bureaucratic meddling to resist it. Today the NEH is seen by many of my colleagues as the enemy of innovative research and teaching. Perhaps worse, it is seen as a nurturer of mediocrity, the home of second-rate minds and spirits. We need to reconstitute the NEH as the spokesperson for a vision of liberal arts education which focuses on the process of investigating the human condition rather than on a list of precepts and a canon of readings. Its leaders must themselves be first-class scholars and teachers, and first-class judges of the work of others. They must not be afraid of change. They must be smart enough, learned enough, and confident enough to lead it.

Martha Howell, Columbia University

April, 1993

Martha C. Howell
307 West 102nd Street
New York, New York 10025
(212) 316-3811

Academic Positions

Current: Professor of History
Director, Institute for Research on Women and Gender
Columbia University
New York, New York

1989: Professor of History
Rutgers University
New Brunswick, New Jersey

1985-89: Associate Professor of History
Rutgers University

1979-85: Assistant Professor of History
Rutgers University

Education

1979: Ph.D., History, with distinction
Columbia University, New York, N.Y.

1974: M. A., History, Columbia University, New York, N.Y.

1966: B. S., Foreign Service, cum laude, Phi Beta Kappa
Georgetown University, Washington, D.C.

Publications

Books

Women, Production and Patriarchy in Late Medieval Cities (University of Chicago Press: Chicago, 1986)

Paperback edition (University of Chicago Press: Chicago, 1988)

Articles

"Achieving the Guild Effect Without Guilds: the Douaisien Economy at the End of the Middle Ages," **Les métiers au moyen âge,** ed. Jean-Pierre Sosson (Leuven U.P.: forthcoming, 1993).

"Rewriting Marriage in Late Medieval Douai" (forthcoming), 38 pp.

"Weathering Crisis, Managing Change: Douai at the End of the Middle Ages," **Actes du Colloque: Les anciens centres drapiers des Pays Bas: debouchés et stratégies de survivre,** eds. Marc Boone et Walter Prevenier (Leuven/Apeldoorn, 1993) pp. 85-120.

"The Sexual Division of Labor in the New Drapery, 1500-1800" in The New Draperies, ed., Negley Harte, Pasold Studies in Textile History, Oxford University Press (1993), 42 pp.

"The New Historicism: What's So Historical About It?" Women's Studies Quarterly, Spring, 1991, 18 pp.

"Sources for the Study of Society and Economy in Douai after the Demise of Luxury Cloth," Textiles of the Low Countries in European Economic History, ed. Erik Aerts and John H. Munro, Leuven University Press, 1990, 15 pp.

"Marriage, Family and Patriarchy in Douai, 1350-1600" Mariage et mobilité sociale aux Pays Bas à la fin du moyen âge, ed. Walter Prevenier, Studia Historica Gandensia (1989), 33 pp.

"Citizenship and Gender: The Problem of Women's Political Status in Late Medieval Cities of Northern Europe," in Women and Power in the Middle Ages, ed. Mary Erler and Maryanne Kowaleski, University of Georgia Press (1987): pp. 37-60.

"Property, Marriage and Patriarchy: Recent Contributions to a Literature," Feminist Studies 13, no. 1 (1987): pp. 203-25.

"A Documented Presence: Medieval Women in Germanic Historiography," (with the collaboration of Suzanne Wemple and Denise Kaiser), in Women in Medieval History and Historiography, ed. Susan Mosher Stuard, University of Pennsylvania Press (1987): pp. 101-31.

"Women's Work and the Family Economy in Late Medieval Cites of Northern Europe," in Women and Work in Preindustrial Europe, ed. Barbara Hanawalt, Indiana University Press (1986): pp. 198-223.

"Reconsidering the Early Modern European Economy: the Cases of Leiden and Lille," (with R.S. DuPlessis), Past and Present 94 (1982): pp. 49-84.

"Late Medieval and Early Modern Urban History," Trends in History (Fall 1981): pp. 51-79.

Reviews in The Journal of Interdisciplinary History, Journal of Social History, Renaissance Quarterly, and Journal of Economic History, Social History, Tijdschrijf voor sociale geschiedenis.

Institutional Research Projects

Completion of prototype version of The Medieval and Early Modern Data Bank, a computer-based storage and access system for collecting, sorting and analyzing information about the medieval and early modern periods. The Bank is managed in partnership by Professor R.M. Bell of Rutgers University and me, along with Dr. Peter Spufford, Fellow of Queens' College, Cambridge University, England, The University of Leiden, The University of Leuven, UFSAL, (Brussels) and The Research Libraries Group (Stanford University).

Selected Invited Lectures and Conference Papers (Outside Columbia):

1990-1992

"Marriage Stakes in Late Medieval Douai," American Historical Association Annual Meeting

"Scholarship and the Curriculum," CUNY lecture series Rethinking the Disciplines

"Rewriting Marriage in Early Modern Douai," Johns Hopkins University Going Public.

"Weathering Crisis, Managing Change: the Survival of Textile Production in Late Medieval Douai," University of Ghent

"Town and Countryside in Late Medieval Historiography,: Social Science History Association Annual Meeting

"Feminism and the New Historicism in Renaissance Studies," Modern Language Association Annual Meeting

"Marriage, Property and Gender in late Medieval Europe," University of North Carolina at Chapel Hill

Current Research

I am working on a book concerning gender hierarchy as a construction of familial and marital arrangements in the late medieval and early modern urbanized North. The study focuses on Douai in French Flanders, where an important cloth industry and a regional grain market were centered; it will explore the intersections between the political and economic interests at stake in marriage and the sexual relations being institutionalized when men and women married.

Fellowships and Grants since receipt of PhD

Fellow (invited nominee; declined), Stanford University Center for Advanced Studies in the Behavioral Sciences
Fulbright-Hays Research Fellowship
Pew Memorial Trust (for the Medieval and Early Modern Data Bank)
Mellon Fellowship in the Humanities, University of Pennsylvania
American Council of Learned Societies
Deutsche Akademischer Austauschdienst
Ministerie van Onderwijs en Wetenschappen
Research Council, Rutgers University

Fellowships and Grants during Graduate Study

Fulbright-Hays Fellow (The Netherlands)
Social Science Research Council: International Doctoral Research Fellow
Whiting Fellow (Columbia University)
President's Fellow (Columbia University)

Recent Professional Service

Advisory Board, Canadian Humanities and Social Science Council

American Historical Association: Chair, Committee on Quantitative History
Chair, Editorial Collective, Radical History Review
Co-editor, "The Women's Story," (European Women's History Issue, December 1988)
Consulting Editor, Feminist Studies
Local Arrangements Co-Chair, Berkshire Conference on Women's History (1990 Conference)
Program Committee, Berkshire Conference on Women's History (1990 and 1993 Conferences)
Manuscript reviews for Columbia University Press, Harper and Row, Rutgers University Press, Rowen and Allen, Cornell University Press, Random House, University of Michigan Press

Recent Service to Columbia (excluding Institute)

Columbia College
Committee on the Core
Committee on the Extended Core
Chair of Course Development Seminar: Social Hierarchies
Faculty Member Representative to Columbia College Alumni Association
Columbia College Undergraduate Recruitment Committee
Board Member, Barnard College Center for Research on Women
Faculty Associate of Hartley Wallach Residence Hall

Committee on Instruction

<u>Columbia University</u>
Board Member, Center for the Study of Human Rights
Butler Library, Committee on Reorganization of Research Library
Provost's Civility Committee
University Panel on Sexual Harassment
Search Committee, School of the Arts

<u>Department of History</u>
Chair, History Department Fellowship Committee
Personnel Committee
Modern European History Search Committee

Columbia University in the City of New York | *New York, N.Y. 10027*

INSTITUTE FOR RESEARCH ON WOMEN AND GENDER
AND WOMEN'S STUDIES PROGRAM

Director: Martha Howell

9/7 cc Scheduling

September 1, 1993

The Honorable William J. Clinton
The White House
Washington, D. C.

Dear Mr. President,

I am writing to add a personal note to the letter you received from Henry King, Chairman of the Board of Trustees of Columbia University, asking you to speak at the October 4 dinner celebrating the inauguration of Columbia's eighteenth president, George Rupp.

The inauguration has been planned as a forum for discussion of the major intellectual and pedagogical issues before us as we enter the next century. As one of the nation's largest private universities, the home of renowned professional schools, graduate programs in the arts and sciences, and three undergraduate colleges with classrooms the most diverse of any elite university's, Columbia is uniquely positioned to provide national leadership in higher education.

The appointment of George Rupp as President signals our intention to focus our resources on this urgent task. Widely recognized as a defining moment in the history of Columbia, the ceremony will be attended by national and municipal leaders. Guests at the formal dinner in the Rotunda of the University will include presidents of the nation's major universities, New York civic leaders, and prominent members of the city's financial, educational, and artistic community.

Our guests, the media, and the citizens of New York should know of your commitment to the values Columbia represents, of your interest in this great university in this country's premier city. The occasion offers you a splendid opportunity for articulating your administration's goals for higher education, for focusing national attention on college teaching, for expressing your idea of the university.

I do hope you can accept our invitation to speak.

Respectfully yours,

Martha Howell

Martha Howell
Professor of History

763 Schermerhorn Extension (212) 854-3275/3277 Fax Number: (212) 854-7466

Columbia University in the City of New York | *New York, N.Y. 10027*

INSTITUTE FOR RESEARCH ON WOMEN AND GENDER
AND WOMEN'S STUDIES PROGRAM

Director: Martha Howell

September 1, 1993

Ms. Nancy Hernreich
West Wing
The White House
Washington, D. C. 20500-2000

Dear Ms. Hernreich,

I have known President Clinton since our days together at Georgetown, and David Edwards has told me to pass these letters on to you for the President. I hope you can do so.

Thank you very much for your help.

Sincerely,

Martha Howell

Martha Howell

763 Schermerhorn Extension (212) 854-3275/3277 Fax Number: (212) 854-7466

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Today's Date: September 10, 1993

Date of Request:	8/08/1993
Request for:	POTUS
Type of Request:	Honorary Chair
Requestor Name:	Mr. John Fulop
Title:	Interim President
Organization:	Community Center of the Southern Berkshires, Inc. Post Office Box 378 West Stockbridge, Massachusetts 01266
Contact Tel. #:	413/232-7122
Event Date:	
Event Description:	
Notes:	The requesting group is in the development stages of a community center for its area. It asks that the President serve as honorary chair for its efforts.

Recommendations:

MW ______ RN ______ JP no MH ______

9/14/93