ELLEN C. CRAIG
2970 NORTH LAKE SHORE DRIVE, APT. 15F
CHICAGO, ILLINOIS 60657

October 18, 1993

Dear John,

Tony told me to send you copies of Carol M-B's letters to Lindsey and McLarty about me and the CIP position, and to ask you if you would find out from Lindsey if this is serious.

So far, Lindsey has promptly acknowledged to me his receipt of letters on my behalf from Carol and Paul, thanked me for my interest, but not indicated if I am on the list for the CIP or any other position.

I would very much appreciate your help.

And I'll see you this weekend. I'm coming in for two birthday parties, an old friend's and Tony's.

Sincerely,

Ellen

JAN Piercy
John Emerson
is this a possibility?
I know + like her
JDP

Encl.

cc. Kevin O'Keefe

CAROL MOSELEY-BRAUN
ILLINOIS

2e 10/11/93

COMMITTEES:
BANKING, HOUSING, AND URBAN AFFAIRS
JUDICIARY
SMALL BUSINESS

United States Senate
WASHINGTON, DC 20510-1303

October 1, 1993

Ms. Ellen Craig
Suite 15
2970 North Lake Shore Drive
Chicago, Illinois 60657

Dear ~~Ms. Craig~~ Ellen:

Enclosed, please find a copy of the letters I sent on your behalf to Mr. Thomas McLarty, White House Chief of Staff, and Mr. Bruce Lindsey, Director of Presidential Personnel. In addition, I will phone Mr. McLarty next week to reiterate my support for your appointment.

If there is anything more I can do to help, please do not hesitate to call.

Yours truly,

Carol MB

Carol Moseley-Braun
United States Senator

CMB:pjs

CAROL MOSELEY-BRAUN
ILLINOIS

COMMITTEES:
BANKING, HOUSING, AND URBAN AFFAIRS
JUDICIARY
SMALL BUSINESS

United States Senate

WASHINGTON, DC 20510-1303

October 5, 1993

Mr. Thomas "Mack" McLarty
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. McLarty:

It has come to my attention that Ms. Ellen C. Craig is under consideration to become the United States Coordinator and Director of the Bureau of International Communications and Information Policy at the Department of State. I have known Ms. Craig since I represented her while serving in the Illinois House of Representatives in the early 1970's. I cannot think of any individual who is more qualified to fill this position than Ms. Craig.

Currently Ms. Craig serves as the Chairman of the Illinois Commerce Commission, where she has presided for the last four years. In this position, Ms. Craig is responsible for regulating both public and private utilities and their influence on the Illinois economy. She must deal with issues in environmental policy, nuclear power and telecommunication rights.

Ms. Craig is correctly recognized as an authority on telecommunications. She has served on both the Governor's Task Force on Advanced Telecommunications and Networking and the National Association of Regulatory Utility Commissioners. She often lectures on telecommunications and regulated utilities.

Ms. Craig has enjoyed a distinguished career in government and public service. She was a Democratic appointee to the Illinois Commission, appointed by Governor Thompson after eleven years of working with him. She is known as a consensus builder, adept at forging alliances and inspiring cooperation among disparate groups. <u>Crain's Chicago Business</u> recently lauded her for "helping restore respectability" to the Illinois Commission with her "reasoned rulings" on rate hikes and other controversial issues.

It is clear that Ellen Craig has both the experience and the ability to fill this position admirably. She has specialized for many years in telecommunications and information transfer. In addition, her experience in government and in other regulated utilities would be invaluable to this position.

I have enclosed Ellen Craig's resume with this letter for your review. It is my hope you will give her application every consideration. If I can be of further help in evaluating her candidacy, please do not hesitate to call.

Thank you very much for your time and consideration.

Cordially,

Carol Moseley-Braun

Carol Moseley-Braun
United States Senator

CAROL MOSELEY-BRAUN
ILLINOIS

COMMITTEES:
BANKING, HOUSING, AND URBAN AFFAIRS
JUDICIARY
SMALL BUSINESS

United States Senate

WASHINGTON, DC 20510-1303

October 5, 1993

Mr. Bruce Lindsey
Director of Presidential Personnel
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. Lindsey:

It has come to my attention that Ms. Ellen C. Craig is under consideration to become the United States Coordinator and Director of the Bureau of International Communications and Information Policy at the Department of State. I have known Ms. Craig since I represented her while serving in the Illinois House of Representatives in the early 1970's. I cannot think of any individual who is more qualified to fill this position than Ms. Craig.

Currently Ms. Craig serves as the Chairman of the Illinois Commerce Commission, where she has presided for the last four years. In this position, Ms. Craig is responsible for regulating both public and private utilities and their influence on the Illinois economy. She must deal with issues in environmental policy, nuclear power and telecommunication rights.

Ms. Craig is correctly recognized as an authority on telecommunications. She has served on both the Governor's Task Force on Advanced Telecommunications and Networking and the National Association of Regulatory Utility Commissioners. She often lectures on telecommunications and regulated utilities.

Ms. Craig has enjoyed a distinguished career in government and public service. She was a Democratic appointee to the Illinois Commission, appointed by Governor Thompson after eleven years of working with him. She is known as a consensus builder, adept at forging alliances and inspiring cooperation among disparate groups. Crain's Chicago Business recently lauded her for "helping restore respectability" to the Illinois Commission with her "reasoned rulings" on rate hikes and other controversial issues.

It is clear that Ellen Craig has both the experience and the ability to fill this position admirably. She has specialized for many years in telecommunications and information transfer. In addition, her experience in government and in other regulated utilities would be invaluable to this position.

I have enclosed Ellen Craig's resume with this letter for your review. It is my hope you will give her application every consideration. If I can be of further help in evaluating her candidacy, please do not hesitate to call.

Thank you very much for your time and consideration.

Cordially,

Carol Moseley-Braun

Carol Moseley-Braun
United States Senator

Chron

Ricki
Seidman

P2:09

October 18, 1993

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

Dear John:

This is going to be an extraordinary event and I hope you will help make it possible for Bill and Hillary to attend. It will be important to them and to us.

Sincerely,

Kate

Kate Michelman
President

National
Abortion Rights
Action League

1156 15th Street, N.W., #700
Washington, D.C. 20005
202-973-3000

NARAL

CELEBRATING 25 YEARS OF DEFENDING **CHOICE**

October 4, 1993

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Hillary:

On behalf of the NARAL Board and more than 750,000 of our members, it is my privilege to extend to you a special invitation to appear as our honored guest at NARAL's 25th Anniversary Gala. We would like to recognize your extraordinary work to ensure health care for all and your profound commitment to women's health.

We have also extended an invitation to President Clinton to join us in this historic celebration. We hope that he will be able to attend and participate in your tribute.

NARAL's 25th Anniversary will celebrate our important political history and unveil our expanded mission to address a range of reproductive health needs, from prevention to healthy childbearing. We believe that it is time for our nation to change course on the abortion issue: to encourage personal responsibility, to elevate childbearing to a higher value in our society, and to ensure the right to choose while making abortion less necessary through an increased emphasis on prevention and contraception. We want to bring the collective strength of this organization to bear on these issues and offer America a positive solution to the divisive abortion debate.

Our 25th Anniversary Gala will be held on Thursday, January 20 from 6:30 p.m. to 10:00 p.m. at the National Building Museum. Your presence would lend tremendous excitement to our event and underscore the importance of NARAL's expanded work in the next 25 years. I hope that you will give our request your utmost consideration.

Sincerely,

Kate

Kate Michelman
President

National
Abortion Rights
Action League

1156 15th Street NW, Suite 700 Washington, DC 20005 (202) 973-3000

NARAL

CELEBRATING 25 YEARS OF DEFENDING **CHOICE**

October 4, 1993

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton:

It is my distinct privilege to invite you to the 25th Anniversary Gala of the National Abortion Rights Action League. We would be honored if you would join us as we commemorate 25 years of defending choice and unveil NARAL's expanded agenda to make abortion less necessary.

NARAL believes that it is time for our nation to change course on this issue: to encourage personal responsibility, to elevate childbearing to a higher value in our society, and to ensure the right to choose while making abortion less necessary through an increased emphasis on prevention and contraception.

To this end, the NARAL and NARAL Foundation Boards of Directors and membership, 750,000 pro-choice women and men, recently voted to broaden our mission to encompass work on a range of reproductive health policy issues. We want to bring the collective strength of this organization to bear on these issues and offer America a positive solution to the divisive abortion debate.

We believe that there is no better person to give voice to our expanded mission than you, and we need you to be with us to underscore the importance of NARAL's expanded agenda. We recognize your strong commitment to keeping abortion safe and legal, but rare. We applaud your achievements and share your vision for all that can be accomplished this term, and next.

We have also extended a special invitation to Mrs. Clinton to join us at the event. We would like to honor her and pay tribute to her contributions to our nation's health and the health of women.

You may recall that, at NARAL's 1992 Pro-Choice Gala, you spoke eloquently of your belief in a woman's right to choose. I pledged to our guests then that I would return following the November election with a pro-choice President. It would be an honor and privilege to fulfill that pledge this year.

National
Abortion Rights
Action League   1156 15th Street NW, Suite 700   Washington, DC 20005   (202) 973-3000

NARAL's 25th Anniversary Gala will be held on Thursday, January 20 from 6:30 p.m. to 10:00 p.m. at the National Building Museum. I hope that you will give serious consideration to our request, and I look forward to your response.

Sincerely,

Kate

Kate Michelman
President

LAW OFFICES OF JONATHAN W. CUNEO
1301 K Street, N.W.
Suite 650 East Tower
Washington, DC 20005

FACSIMILE TRANSMITTAL SHEET

FOR IMMEDIATE DELIVERY

TO: Mr. John Podesta Staff Secretary The White House	FROM: Jon Cuneo PHONE: (202) 789-3960 FAX: (202) 789-1813
DATE: October 20, 1993	TOTAL PAGES: 17 (Including This Page)
SUBJECT: Service Station Dealers Convention	

SPECIAL INSTRUCTIONS OR MESSAGE:

Joan Baggett / Joe Velasquez

call me about this

John Podesta

LAW OFFICES OF JONATHAN W. CUNEO

1301 K Street, N.W.
East Tower
Suite 650
Washington, DC 20005

Phone: (202) 789-3960 Facsimile: (202) 789-1813

October 20, 1993

VIA FACSIMILE TRANSMISSION
Mr. John Podesta
Staff Secretary
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear John:

Thank you very much for returning my call. Attached please find a copy of the program for the service station dealers convention. As you can see, the program went to press before Vice-President Gore determined not to come. He will, evidently, be hosting a Halloween party at the exact time of his slot at the convention.

As I told you, my fear is that the Republicans are going to steal a natural Democratic constituency from us. Also attached is a press release announcing Lieutenant Colonel North's appearance.

With best regards.

Sincerely,

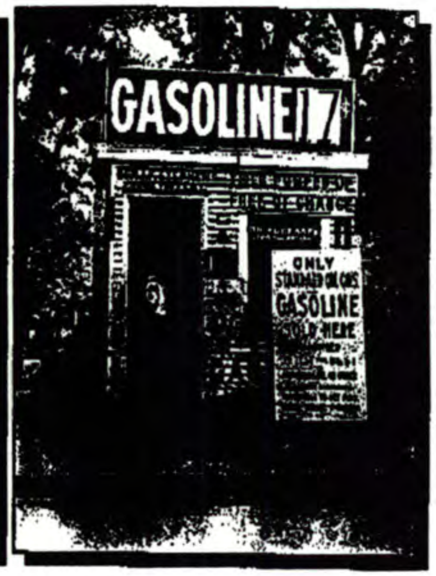
Jon

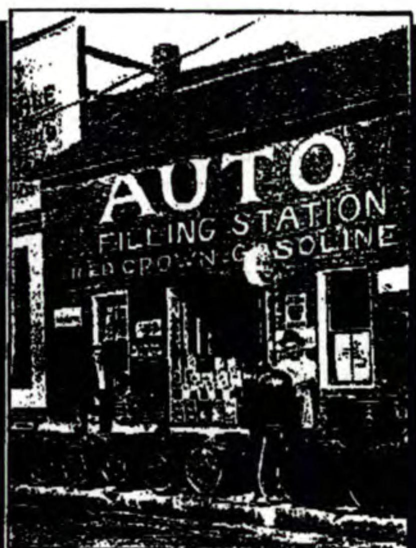
Jonathan W. Cuneo

Attachments

Best to you, John!
Pit coming!

Service Station and Automotive Repair Associations National Convention and Trade Show October 28 - 31, 1993 Richmond, Virginia





Providing An Environment For Success

Marketing changes. Technology. Environmental challenges. Survival. Solutions. Service station and automotive repair associations will mesh issues and concerns of this complex industry in a way that has never been done before.

This October, an estimated 4,000 industry professionals will gather in Richmond to attend this premier event. This will be the largest educational and marketing forum sponsored by service station and automotive repair facility associations in the world.

People involved in every way in the service station and repair facility industry — dealers, suppliers, oil company executives, auto maker executives, political leaders, and the Administration — will come to Richmond October 28-31 because it will be a hallmark conference and the largest industry association trade show ever.

Host associations include the Service Station Dealers of America, the Greater Washington/Maryland Service Station and Automotive Repair Association, the Virginia Gasoline Marketers Council, the North Carolina Service Station Association, and the South Carolina Service Station Dealers Association.

A CHANGING...EXCITING INDUSTRY

In a truly unique setting the Vice Presidents of General Motors, Ford, Texaco, Mobil, and the United States of America are scheduled to discuss where this industry is heading as we approach the 21st century.

How will transportation change? Can we survive a cleaner environment? How will the fuels change? What can we expect from government?

We anticipate national media coverage of this event. State and local legislators and regulators from the mid-Atlantic states will be invited. Major companies will line the room with displays and examples of ongoing research and development.

CROWN CHAIRMAN TO KEYNOTE LUNCHEON

Mr. Henry A. Rosenberg, Jr., Chairman of the Board of Crown Central Petroleum Corporation, has accepted an invitation to deliver the keynote address at the annual Awards Luncheon.

Founded in 1917, Crown's retail marketing operations include more than 450 retail gasoline stations and convenience stores in seven mid-Atlantic and southeastern states. Major company acquisitions over the past decade include the Fast Fare Zippy Mart convenience store chains in 1983, the Maryland BP stations in 1986, and the La Gloria Oil and Gas Company in 1989. In 1991 the main gasoline production unit at the Houston refinery was modified, increasing production yields and upgrading refined products

LEGAL SESSION TACKLES THE TOUGHEST ISSUES

Dealers and repair facility operators will have a unique opportunity on Friday, October 29, to ask oil company and association attorneys the most pressing marketing, PMPA, and environmental industry questions.

This hard hitting session will not side step any issue as attorneys respond from their own unique perspectives.

The Richmond Centre
Virginia's Largest Meeting Complex

1993 CONVENTION & TRADE SHOW

Richmond Convention Centre •Richmond Marriott
Richmond Omni • Jefferson Hotel
Richmond, Virginia

Mr. Henry A. Rosenberg, Jr.
Crown Central Petroleum

THURSDAY, OCTOBER 28, 1993

0.00 a.m. - 5:00 p.m.	Trade Show Set-Up	Richmond Centre
9:00 a.m. - 12:00 p.m.	SSDA Executive Committee	Jefferson Hotel
9:00 a.m. - 10:00 a.m.	SSDA Convention Committee	Jefferson Hotel
10:00 a.m. - 4:00 p.m.	Amoco Refinery Tour	Yorktown, VA
~~10:00 a.m. - 4:00 p.m.~~	~~SSDA Affiliate Lawyers Meeting~~	~~Jefferson Hotel~~
12:00 p.m - 1:30 p.m.	SSDA Credentials Committee	Jefferson Hotel
12:00 p.m. - 4:00 p.m.	Art Studio Family Program Tour	Richmond, VA
2:00 p.m. - 5:00 p.m.	SSDA Board Meeting	Jefferson Hotel
5:00 p.m. - 6:00 p.m.	GWMSSARA Board Meeting	Marriott Hotel
~~5:30 p.m. - 6:30 p.m.~~	~~SSDA Insurance Committee~~	~~Jefferson Hotel~~
5:30 p.m. - 6:30 p.m.	SSDA Membership Services Committee	Jefferson Hotel
5:30 p.m. - 6:30 p.m.	SSDA Industry/PR Committee	Jefferson Hotel
5:30 p.m. - 6:30 p.m.	SSDA Legal Services Committee	Jefferson Hotel
5:30 p.m. - 6:30 p.m.	SSDA Bylaws Committee	Jefferson Hotel
7:30 p.m. - 10:00 p.m.	SSDA PAC Fund-raiser	Jefferson Hotel

Mr. Richard Bing
VGMC

Mr. Richard Calkins
Industry Mediator

FRIDAY, OCTOBER 29, 1993

7:00 a.m. - 12:30 p.m.	Exhibitor Set-Up	Richmond Centre
8:00 a.m. - 9:30 a.m.	National Legal Review Breakfast *Panelists:* • Mr. Richard Bing, VGMC Attorney • Mr. Richard Calkins, Industry Mediator • Mr. James Carroll, SCSSA Attorney • Mr. D .G. "Jim" Daskal, SSDA General Council • Mr. J. W. "Bill" Dalgetty, Mobil Oil Corporation • Mr. Frank Devlin, Exxon Company, U.S.A. • Mr. J. D. Hurley, Star Enterprise (Texaco) • Mr. Harry Storm, GWMSSARA Attorney *Moderator:* Mr. Melvin Sherbert, SSDA President	Jefferson Hotel
9:00 a.m. - 4:00 p.m.	Family Program to Williamsburg • Historic Williamsburg • Pottery Factory Shopping Tour • Anheuser-Busch Tour	
10:00 a.m. - 11:30 a.m.	SSDA Government Affairs Committee Meeting (Regulatory)	Jefferson Hotel
10:00 a.m. - 11:30 a.m.	SSDA Government Affairs Committee Meeting (Legislative)	Jefferson Hotel
10:00 a.m. - 11:30 a.m.	SSDA Long Range Planning Committee	Jefferson Hotel

Mr. James Carroll
SCSSA

Mr. Harry Storm
GWMSSARA

Mr. J. W. Dalgetty
Mobil Oil Corporation

Mr. Frank Devlin
Exxon Company, U.S.A.

Mr J D Hurley
Star Enterprise

Mr. D. C. Daskal
SSDA

Mr. Charles E. Warns, II
President - GWMSSARA

Mr. Rick Lowery
President - VGMC

Mr. James T. Long Jr.
President - NCSSA

Mr. Ron McMahan
President - SCSSDA

Mr. Ron Nelson - MDE

Mr. Drew Cobbs - MPC

FRIDAY, OCTOBER 29, 1993 *(continued)*

10:00 a.m. - 11:30 a.m. — North Carolina Service Station Association/ South Carolina Service Station Dealers Association Joint Membership Meeting — Jefferson Hotel

10:00 a.m. - 11:30 a.m. — Greater Washington/Maryland Service Station and Automotive Repair Association Annual Meeting — Marriott Hotel

Speakers:
- Mr. Drew Cobbs, Executive Director
  Maryland Petroleum Council:
  "Industry Relations in the 90's"
- Mr. Ron Nelson, Deputy Director
  Maryland Department of the Environment:
  "Surviving Environmental Regulations"
- Mr. Charles E. Warns, II
  GWMSSARA President
  "State of the Association Address"

Moderator: Mr. James Jackson, First Vice President

12:00 p.m. - 3:00 p.m. — Virginia Gasoline Marketers Council Board of Directors Meeting/Lunch — Omni Hotel

12:00 p.m. - 2:00 p.m. — GWMSSARA Awards Luncheon: — Marriott Hotel
- "President's Address"
  Mr. Charles E. Warns, II
  GWMSSARA President
- 1993 Customer Service Contest Awards Presentation
- Association Awards Presentation
- "Keynote Address"
  Mr. Henry A. Rosenberg, Jr., Chairman of the Board
  Crown Central Petroleum Corporation

Moderator: Mr. Tom Reidy, Second Vice President

1:30-6:00 LAWYERS MEETING

3-4 pm

2:30 p.m. - 8:30 p.m. — 300 Booth Trade Show — Richmond Centre

~~4:00 p.m. - 5:00 p.m.~~ — SSDA Government Affairs Committee (Full Committee) — Marriott Hotel

5:00 p.m. - 7:00 p.m. — SSDA Membership Meeting — Marriott Hotel

9:00 p.m. - 12:00 a.m. — Oil Company Hospitality Suites — Marriott Hotel
- Amoco Oil Company
- Chevron U.S.A. Products Company
- CITGO Petroleum Corporation
- Crown Central Petroleum Corporation
- Exxon Company, U.S.A.
- Mobil Oil Corporation
- Star Enterprise (Texaco)
- Sun Refining and Marketing Company

5:00-5:45 FINANCE COMMITTEE

SATURDAY, OCTOBER 30, 1993

7:00 a.m. — 5K Legal Fund "Fun Run" — Marriott Hotel

8:30 a.m. - 9:45 a.m. — National Dealer Forum: Zone Pricing; Rebates; and Rack/DTW Disparities — Marriott Hotel

9:00 a.m. - 3:00 p.m. — Family Program to Monticello — Marriott Hotel

10:00-5:00 LAWYERS MEETING

Hospitality Suites

EXXON Mobil CROWN SUNOCO Chevron AMOCO CITGO

SATURDAY, OCTOBER 30, 1993 *(continued)*

10:00 a.m. - 12:00 p.m. — Industry Session: Research and Development Under The Clean Air Act — Marriott Hotel

- "Seeking Quality Transportation: Fuel, Traffic Management, and Environmental Regulations"
  Mr. William Tell, Senior Vice President
  Texaco Inc.
- "Can Our Industry Survive A Cleaner Environment?"
  Mr. Stephen Pryor, Vice President of U.S. Fuels Marketing
  Mobil Oil Corporation
- "Transportation: Products and Services of The Future"
  Mr. James Johnston, Vice President
  General Motors Corporation
- "Transportation: Past, Present and Future"
  Mr. Elliott Hall, Vice President
  Ford Motor Company
- "A National Energy Strategy: Political Challenges to the Oil and Transportation Industries"
  The Honorable Al Gore (Scheduled)
  Vice President of the United States

Moderator: Mr. Charles E. Warns, II, GWMSSARA President

2:30 p.m.	Press Conference for Vice President Al Gore (Tentative)	Marriott Hotel
3:00 p.m.	Reception for Vice President Al Gore (Tentative)	Marriott Hotel
1:00 p.m. - 6:00 p.m.	300 Booth Trade Show	Richmond Centre
1:00 p.m. - 6:00 p.m.	SSDA PAC Golf Tournament	"The Crossings" Golf Course
8:00 p.m. - 1:00 a.m.	Theme Party	Marriott Hotel

Featuring:
- Lou Christie (Lightning Strikes, Two Faces Have I, How Many Teardrops)
- The Crystals (Da-Doo Ron Ron, He's A Rebel, Then He Kissed Me)
- The Tokens (The Lion Sleeps Tonight, Portrait of My Love, La Bamba)

SUNDAY, OCTOBER 31, 1993

9:00 a.m. - 11:00 a.m. — SSDA Awards Brunch — Jefferson Hotel
"President's Address"
Mr. Melvin Sherbert, SSDA President

Shuttle buses will run between the Jefferson Hotel, the Omni Richmond, the Richmond Marriott, and the Richmond Convention Centre. Shuttle service will run between 7:30 a.m. and 12:00 midnight on Friday, October 29; and between 8:00 a.m. and 1:00 a.m. on Saturday, October 30.

GWMSSARA Convention Chairman: Mr. Ken Ayre
SSDA Convention Chairman: Mr. Roy Littlefield


The Honorable Al Gore
Vice President of the United States


Mr. William Tell
Texaco Inc.


Mr. Stephen Pryor
Mobil Oil Corporation


Mr. James Johnston
General Motors Corporation


Mr. Elliott Hall
Ford Motor Company


Lou Christie


The Crystals


The Tokens


Mr. Melvin Sherbert
President - SSDA

WHAT A SHOW!

A recent national survey among small business owners who join and participate in trade associations concluded overwhelmingly that the most important perceived benefit of their association membership was the industry convention and trade show experience (seminars, trade show, interplay with suppliers, and sharing experiences with their peers).

The convention experience, which was seen as a dollars and cents business issue, topped other important association benefits, such as government affairs representation, insurance, training, and legal counsel.

The Richmond show, with over 300 exhibit booths, will be the largest service station and automotive repair association trade show ever.

Attending the industry Trade Show should be a very stimulating experience for service station dealers and for repair shop operators. In fact, the time you spend on the Trade Show floor should be very productive...if you plan and organize your effort.

With limited Trade Show hours, the number of exhibits may seem overwhelming. These suppliers are investing great sums of money to bring their people and products to Richmond to meet you. As a progressive business person, there are certain groups of exhibitors you should make time to visit. For example:

*Visit your current supplier...*even though you know and understand their products and services. In addition to the salesperson who normally calls on you, occasionally you should meet the company's senior executives and technical support people. The Trade Show environment affords you an excellent opportunity to discuss pricing, service and product developments, to address and respond to your changing needs. Exhibitors are at your Trade Show to listen to you as well as to "sell" you.

Visit the competitors of your suppliers...for no other reason than to reassure yourself that you are dealing with the right people and the right company. There is always the chance that you will find out otherwise. A Trade Show allows you a unique opportunity of comparing alternate sources without challenging or upsetting existing relationships.

Visit potential suppliers...those companies you may consider doing business with in the future as your own business changes (seeking new or alternative profit centers) and grows. If you have plans for expansion or modernization, you should be investigating a number of areas. The informal setting of a Trade Show makes this task much easier.

Visit all other exhibitors...make sure to allow ample time to make unexpected discoveries on the exhibit floor. After you have planned your coverage of specific exhibits, allow yourself some time for a relaxed walk through the entire exhibition. Browse freely. Spend a little time at any booth that catches your eye. Perhaps there is no faster way to get a sense for what is happening, and about to happen, in our ever-changing industry. You may discover something that could significantly alter your station or repair facility.

Do not try and take on the Trade Show in one time period. The Show is too big. Plan on making at least two trips. Because the Trade Show will be open only two days, you will have to be more judicious as to how you allocate your time. We will provide you with a directory of exhibitors, listing booth numbers and a floor plan. This should make it easier to map out two or three trips to the Trade Show floor.

Don't hesitate in asking for a demonstration of products being exhibited. Watch for reactions and responses of fellow members. Listen to the questions and conversations. Get involved! It's all part of the Trade Show experience.

You should collect product literature at relevant booths to refer back to after you leave the Show, but don't try to collect everything being offered. Almost all exhibitors will be more than willing to send any data requested to your station or facility following the Show. Make sure you supply your correct and complete address.

Members attending this year's Convention will have more opportunities to meet with oil company representatives, and more suppliers than at any previous convention, and will sample new service, techniques, and machinery.

You will have an opportunity to learn more than you probably ever wanted to know about existing, new and pending environmental regulations. Trade Show exhibitors may help you more easily cope with these new regulations, and may even take a potential burdensome regulation and turn it into a profit center.

You will hear about and see the latest in parts and suppliers, towing equipment, insurances, car wash equipment, maps, diagnostic equipment, lifts, alignment equipment, jobbers, pay phones, convenience store products, computers, uniforms, waste oil pick-up, nozzles, pumps, manuals, air machines, business forms, security equipment, vending machines, snacks, tobacco products, and more!

In short, you should be able to come out of the Trade Show with better ideas of ways to increase and improve your business.

A NATIONAL FORUM

Zone Pricing. Rebates. Rack/DTW disparities. These issues evoke great emotions from the dealer community.

Are these practices legal? Are they moral? Can they be satisfactorily addressed through negotiations? Will they be resolved in courts of law? Or on Capitol Hill? Or in state capitals nationwide?

What is being done to address these concerns? What are dealers contemplating doing to try and level the playing field?

This special session has been added to give dealers nationwide an opportunity to meet, to define, and to set possible future actions and solutions.

Amoco Oil's Yorktown Refinery

Monticello

Williamsburg

TURN BACK THE CLOCK

If you remember the oldies, you'll love the theme party. Bringing together three of the top groups from that era, be prepared for a sentimental journey into the past.

Dance and sing late into the evening to Lou Christie ("Lightning Strikes," - "The Gypsy Cried," - Two Faces Have I," - "How Many Teardrops," - "You and I," - "I'm Gonna Make You Mine"), The Crystals ("Da-Doo Ron Ron," - "Uptown," - "He's a Rebel," - "Then He Kissed Me"), and the Tokens ("The Lion Sleeps Tonight," - "Tonight I Fell in Love," - La Bamba," - "A Portrait of My Love").

FOR THE FAMILY

Virginia's capital is like no other in the world. Its chief architect was Thomas Jefferson. Its spokesman was Patrick Henry. Its chief justice, John Marshall. Its poet, Edgar Allan Poe. And its general, Robert E. Lee.

Conventioneers will tap into southern charm with trips to Monticello and Williamsburg. A special Richmond art studio tour has been planned. Children will have easy access to the Busch Gardens amusement park. Shoppers can go to the world famous Pottery Factory. And all can quench their thirst at the Anheuser-Busch brewery.

Amoco has graciously arranged a refinery tour and a luncheon at their nearby Yorktown refinery on the beautiful York River.

And there are sites galore in Richmond: "Bojangles" Statue, Hollywood Cemetery, James River and Kanawha Canal Locks, Richmond National Battlefield Park, and Shockoe Slip. If you can find the time, plan on taking an evening cruise on the historic James River.

GETTING THERE

Getting to Metro Richmond is easy. The capital of the Commonwealth of Virginia has a central East Coast location, is equidistant from Boston and Atlanta and is located at the juncture of East-West and North-South rail lines and interstate highways.

Metro Richmond is served by four interstate highways and 10 state highways, an international airport with four major airlines and five regional airlines.

RAIL

Amtrak provides service from the Metro Richmond Station at 7519 Staples Mill Road. Trains out of Richmond travel to many destinations along the eastern seaboard and serve 500 cities downtown to downtown and coast to coast. For fare and schedule information, call 804-264-9194 or toll-free 1-800-872-7245.

AIR

Richmond International Airport, operated by the Capital Region Airport Commission, is just 10 minutes east of downtown Richmond off I-64 with four-lane access to the terminal. The airport adds to your ease and comfort while traveling with a full range of services including a restaurant and lounge, shops, car rentals, ground transportation, short- and long-term parking, banking facilities, meeting rooms, conference room rentals, the Business Travel Center and a Visitor Center operated by the Metro Richmond Convention and Visitors Bureau.

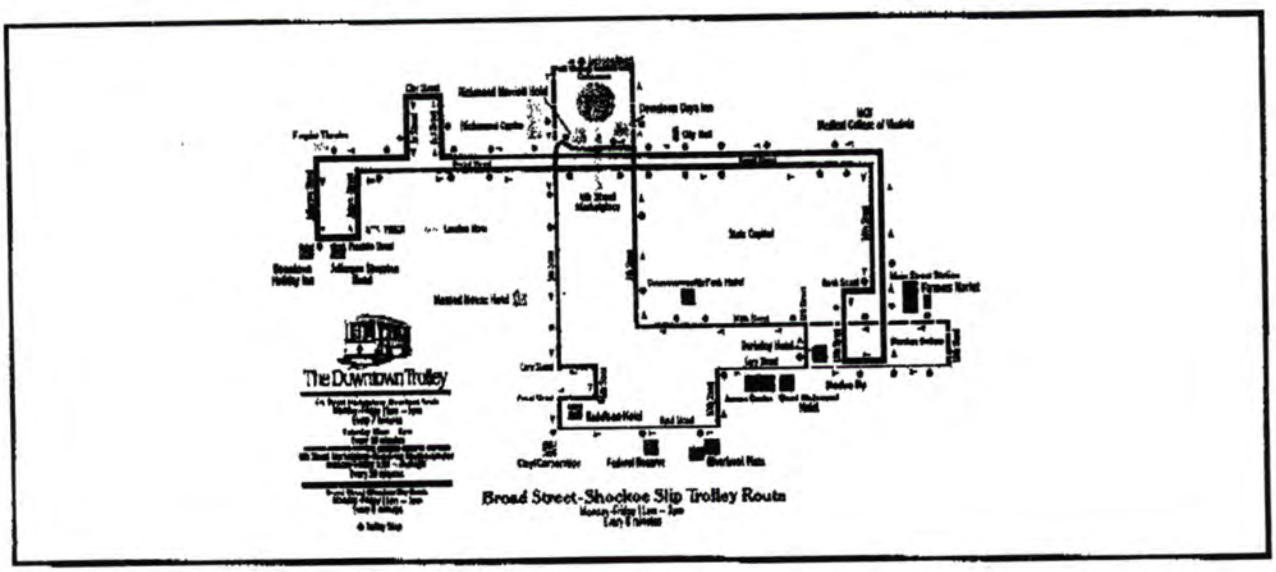
Richmond International Airport offers non-stop service to many destinations as well as connecting patterns that can get you virtually anywhere in the United States. It's also tied into international gateways in Washington, New York, Atlanta, Charlotte, Cincinnati, Dallas-Forth Worth, Chicago, Baltimore, Raleigh and Pittsburgh.

The major airlines serving Richmond International Airport are American, Delta, United and USAir. Regional carriers are American Eagle, United Express, USAir Express, WRA Airlines and TWA Express. They offer more than 130 flights daily, in and out of Richmond.

For your convenience, six car rental companies have offices at Richmond International Airport: Alamo, Avis, Budget, Hertz, National and Thrifty.

GROUND

Greyhound-Trailways Bus Lines are based at 2910 N. Boulevard at Exit 78 off I-95/I-64, near the Metro Richmond Visitors Center and The Diamond. For fare and schedule information, call 804-353-8903. Major credit cards, excluding American Express, are accepted.



CUT OFF DATE: 9/30/93

HOTEL RESERVATION FORMS

CUT OFF DATE: 9/30/93

MAIL TO: The Richmond Marriott • 500 E. Broad Street • Richmond, VA 23219 • (804) 643-3400

In making your reservation we request that you either: 1) Enclose a check or money order covering the first night's stay. - OR - 2) Send us the entire number of your credit card: AMERICAN EXPRESS, DINER'S CLUB, VISA/BANK AMERICARD, MASTERCARD OR CARTE BLANCHE. Don't forget the expiration date and your signature. **The Richmond Marriott regrets that it cannot hold your reservation after 6:00 p.m. on the day of arrival without one of the above.** Deposits will be refunded only if cancellation notification is given up to 24 hours prior to arrival.

SERVICE STATION AND AUTOMOTIVE REPAIR ASSOCIATION

Dates: 10/28 - 10/31 Rates: $82 Single - $82 Double Check out time is 1:00 p.m. Rooms may not be available for check-in until after 4:00 p.m.

PLEASE PRINT:

Name ______ Phone ( ) ______

Address ______

City ______ State ______ Zip ______

For Arrival on ______ (day) (date) (time) Depart on ______ (day) (date)

Please reserve ______ No. of Rooms for ______ People Name(s) of person(s) sharing accommodations ______

☐ Check or money order enclosed ☐ American Express ☐ MasterCard ☐ Diners Club ☐ VISA ☐ Carte Blanche (please include interbank # directly next to card #)

I authorize the **Richmond Marriott** to charge my account for one night's deposit and all applicable taxes.

Signature ______ Phone ( ) ______

RICHMOND MARRIOTT * (HEADQUARTER HOTEL) *

MAIL TO: The Omni Richmond Hotel • 100 South 12th Street • Richmond, VA 23219 • (804) 344-7000

In making your reservation we request that you either: 1) Enclose a check or money order covering the first night's stay. - OR - 2) Send us the entire number of your credit card: AMERICAN EXPRESS, DINER'S CLUB, VISA/BANK AMERICARD, MASTERCARD OR CARTE BLANCHE. Don't forget the expiration date and your signature. **The Omni Richmond regrets that it cannot hold your reservation after 6:00 p.m. on the day of arrival without one of the above.** Deposits will be refunded only if cancellation notification is given up to 24 hours prior to arrival.

SERVICE STATION AND AUTOMOTIVE REPAIR ASSOCIATION

Dates: 10/28 - 10/31 Rates: $82 Single - $82 Double Check out time is 1:00 p.m. Rooms may not be available for check-in until after 3:00 p.m.

PLEASE PRINT:

Name ______ Phone ( ) ______

Address ______

City ______ State ______ Zip ______

For Arrival on ______ (day) (date) Depart on ______ (day) (date)

Please reserve ______ No. of Rooms for ______ People ☐ Smoking ☐ Non-Smoking Name(s) of person(s) sharing accommodations ______

☐ Check or money order enclosed ☐ American Express ☐ MasterCard ☐ Diners Club ☐ VISA ☐ Carte Blanche (please include interbank # directly next to card #)

I authorize **The Omni Richmond** to charge my account for one night's deposit and all applicable taxes.

Signature ______ Phone ( ) ______

OMNI RICHMOND HOTEL

MAIL TO: The Jefferson Hotel • Franklin and Adams Street • Richmond, VA 23220 • (804) 788-8000

In making your reservation we request that you either: 1) Enclose a check or money order covering the first night's stay. - OR - 2) Send us the entire number of your credit card: AMERICAN EXPRESS, DINER'S CLUB, VISA/BANK AMERICARD, MASTERCARD OR CARTE BLANCHE. Don't forget the expiration date and your signature. **The Jefferson Hotel regrets that it cannot hold your reservation after 6:00 p.m. on the day of arrival without one of the above.** Deposits will be refunded only if cancellation notification is given up to 24 hours prior to arrival.

SERVICE STATION AND AUTOMOTIVE REPAIR ASSOCIATION

Dates: 10/28-10/31 Rates: $75 Single or Double - $85 Double/Double Check out time is 1:00 p.m. Rooms may not be available for check-in until after 3:00 p.m.

PLEASE PRINT:

Name ______ Phone ( ) ______

Address ______

City ______ State ______ Zip ______

For Arrival on ______ (day) (date) Depart on ______ (day) (date)

Please reserve ______ No. of Rooms for ______ People Name(s) of person(s) sharing accommodations ______

☐ Check or money order enclosed ☐ American Express ☐ MasterCard ☐ Diners Club ☐ VISA ☐ Carte Blanche (please include interbank # directly next to card #)

I authorize **The Jefferson Hotel** to charge my account for one night's deposit and all applicable taxes.

Signature ______ Phone ( ) ______

JEFFERSON HOTEL

Reservations requested before the cut off date are subject to availability of rooms within your group's contracted room block. Rooms may still be available after the cut off date but <u>not</u> necessarily at the group rate. Please apply 9.5% sales tax to the rates listed above.

REGISTRATION FORM

SERVICE STATION AND AUTOMOTIVE REPAIR ASSOCIATIONS

OCTOBER 28 - 31, 1993

RICHMOND MARRIOTT • RICHMOND OMNI • JEFFERSON HOTEL
RICHMOND CONVENTION CENTRE

Name ______

Business ______

Address ______

City ______ State ______ Zip ______

Guest/Employee(s) Name ______

Phone Number ( ) ______

☆ COMPLETE REGISTRATION PACKET ☆

REGISTRATION FEE - $195 PER/PERSON

This plan allows you to pay one fee (per person) and attend ALL Convention and Trade Show activities for the entire weekend.

PACKAGE INCLUDES:
Registration Fee
Amoco Refinery Tour
Art Studio Tour
National Legal Review Breakfast
Family Program to Williamsburg
GWMSSARA Awards Luncheon
Trade Show
Family Program to Monticello
Industry Session
Theme Party
SSDA Awards Brunch

- ❑ **Participating Association Members/Family/Guests Rate..........$195**
- ❑ **Non-Member Rate $295**
- ❑ **Children (under 12) Rate.........$125**

REGISTRATION POLICIES AND PROCEDURES

- All GWMSSARA, SSDA, VGMC, NCSSA, SCSSDA registration forms should be mailed to:
  GWMSSARA
  9420 Annapolis Road, Suite 307
  Lanham, MD 20706

Make checks payable to GWMSSARA.

- Cancellations received before October 15, 1993 entitle the registrant to a full refund. **THERE WILL BE NO REFUNDS MADE AFTER OCTOBER 15, 1993**
- Hotel reservations are to be made directly with the Hotels and a separate form is provided for that purpose.

PLEASE CALL 301-577-2875 or 1-800-492-0329 (within MD only) AND ASK FOR PAT OR KATHLEEN IF YOU HAVE ANY QUESTIONS.

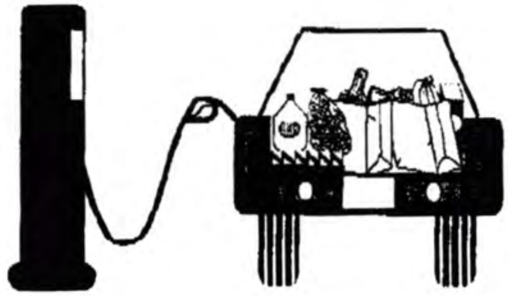
❑ **Check enclosed for the amount of $ ______**

❑ **Please bill my Visa/MasterCard account** ❑ **Please bill my American Express account**

Account # ______ **Expiration date:** ______

Signature ______

Industry Leaders are Motoring to Richmond!



Host Associations:

Greater Washington/Maryland Service Station and Automotive Repair Association; Service Station Dealers of America (and its State Affiliates Nationwide); Virginia Gasoline Marketers Council; North Carolina Service Station Association; South Carolina Service Station Dealers Association.

You and your children are cordially invited to attend a Halloween Party

Saturday, October 30, 1993

two to four o'clock

at The Vice President's House

34th Street and Massachusetts Avenue, Northwest

Washington, DC

R.s.v.p. 202-456-7077

SERVICE STATION AND
AUTOMOTIVE REPAIR ASSOCIATION
9420 Annapolis Road, Suite 307
Lanham, Maryland 20706
(301) 577-2875
WATS: 1-800-492-0329
FAX: (301) 306-0523

NEWS RELEASE

For Immediate Release
August 19, 1993

Contact: Dr. Roy Littlefield
(301) 577-2875

OLIVER NORTH TO SPEAK AT SSDA CONVENTION

Retired Marine Lieutenant Colonel Oliver North will keynote an industry session considering research and development under the Clean Air Act at the Service Station Dealers of America's annual convention on Saturday, October 30 at 10:00 a.m. in the Richmond Marriott Hotel, in Richmond, Virginia.

Mr. North is Chairman and co-founder of Guardian Technologies International, Inc., a Virginia based manufacturer of protective equipment for law enforcement. President of Freedom Alliance, a non-profit foundation dedicated to promoting the principles of individual liberty, a strong defense, and traditional values in national policy, writer of a weekly syndicated newspaper column, and broadcaster of a daily radio commentary, Mr. North will consider current issues on the national agenda.

Lieutenant Colonel Oliver North rounds out a confirmed panel of industry leaders.

Mr. William Tell, Senior Vice President, Texaco Inc. will speak on "Seeking Quality Transportation: Fuel, Traffic Management, and Environmental Regulations."

Mr. Stephen Pryor, Vice President of U.S. Fuels Marketing, Mobil Oil Corporation will assess, "The Proper Balance: Energy, the Economy, and the Environment."

Mr. James Johnston, Vice President of Government Affairs for General Motors Corporation will address: "Transportation: Products and Services of the Future."

Mr. Elliott Hall, Vice President of Washington Affairs for Ford Motor Company will discuss: "Transportation: Past, Present and Future."

(more)

Some 4,000 industry professionals will gather in Richmond, Virginia between October 28-31, 1993 for the largest educational and marketing forum and the largest trade show sponsored by service station and automotive repair facility associations in the world.

State and local legislators and regulators from the mid-Atlantic states will be invited. Major companies will line the Industry Session room with displays and examples of ongoing research and development.

Host associations include the Service Station Dealers of America (representing 60,000 small businesses), the Greater Washington/Maryland Service Station and Automotive Repair Association, the Virginia Gasoline Marketers Council, the North Carolina Service Station Association, and the South Carolina Service Station Dealers Association.

####

For further information please contact Dr. Roy Littlefield, Service Station and Automotive Repair Association, at (301) 577-2875. Media coverage will be allowed and encouraged. A press conference will follow the session.

THE PRESIDENT HAS SEEN 10/25

THE WHITE HOUSE

WASHINGTON

P9:43

OCTOBER 20, 1993

MEMORANDUM TO THE PRESIDENT

FROM: MACK McLARTY

SUBJECT: LAWRENCE O'DONNELL LETTER

The attached material from Lawrence O'Donnell, Senator Moynihan's Staff Director of the Finance Committee, is worth your perusal.

We are on top of this situation and are in the process of developing a New York strategy with Bruce Lindsey's and John Emerson's new responsibilities.

As you will note, the principal thrust of Lawrence's concerns has to do with health care reform and its impact on New York.

Mc

Attachment

cc: The First Lady
Ira Magaziner
Bruce Lindsey
John Emerson

Ellen / Ira
We need aggressive
offset campaign
on this - letters to papers etc
etc - B

DANIEL PATRICK MOYNIHAN
CHAIRMAN

LAWRENCE O'DONNELL, JR.
STAFF DIRECTOR

United States Senate
COMMITTEE ON FINANCE
WASHINGTON, D. C.

October 19, 1993

Dear Mack:

Here's a sample of what we're up against in New York, including yesterday's <u>Daily News</u> editorial on Medicaid.

Sincerely,

LOD

Lawrence O'Donnell, Jr.

The Honorable Thomas F. McLarty
Chief of Staff to the President
The White House
Washington, D.C. 20500

POTUS
HRC } With your permission

Mack

Desk
Bruce
John E.
Ira

NY File

Monday, October 18, 1993 • DAILY NEWS

Time for Medicaid justice

President Clinton and Congress are moving toward historic changes in the nation's health care system. Their agenda must include overhauling Medicaid, the government health insurance program for the poor, in a way that, finally, treats New York State and City justly.

Medicaid costs are a heavy burden. Across the country, they're borne partly by the federal government and partly by state and local treasuries. But states don't pay equal shares — and haven't since Day 1, when Lyndon Johnson needed Capitol Hill's Southern power barons to get Medicaid enacted. New York and other Northern and urban states took it on the chin.

The feds pay more than 70% of the Medicaid bill in states like Mississippi, Arkansas, Utah and South Carolina, while New York, New Jersey and Connecticut are reimbursed for only 50%. The unfairness is compounded by the fact that many larger states, New York included, offer the most generous benefits.

Given this funding scheme, it's no wonder Medicaid costs are eating New York alive. In the city, which splits the local share with the state, the tab is rising 10% a year and now costs $2.2 billion annually. The state's costs are $5.3 billion and going up at a 12% rate. If successful — a big "if" — Clinton's health plan would slow the rise in costs. That's a start, but it's not enough. The money must also be apportioned fairly.

It's up to Sen. Daniel Moynihan to see this gets done. Newly empowered as chairman of the Senate Finance Committee, Moynihan flatly says Clinton won't get his health plan unless Medicaid formulas are reformed. Since New York now has its own congressional baron, Moynihan must make his vow stick.

The New York Times

NEW YORK, SATURDAY, OCTOBER 9, 1993

New York Hospitals Project Losses Of $4 Billion Under Clinton's Plan

By TOM REDBURN

Already facing chronic money problems, New York City's hospitals said yesterday that they would lose about $4 billion in Government revenue, or about 4 percent of the hospitals' total budgets, in the first five years of President Clinton's proposed national health plan.

In perhaps the first detailed look at how the Clinton proposal could affect local health care providers, the Greater New York Hospital Association said that cuts in Medicare and Medicaid would far outweigh increases in aid for people who now lack health insurance.

Cuomo Meets With Moynihan

The hospital association's report is a first step in what promises to be intense jockeying among interest groups in the health care industry that hope to reshape the Administration's plan to guarantee health care to all Americans. In New York City, for example, although hospitals stand to lose revenue, some clinics, doctors and other health care providers may receive more money.

White House officials say they are taking steps to lessen the burden on urban hospitals as they translate their draft plan into legislative proposals.

For his part, Gov. Mario M. Cuomo met yesterday with Senator Daniel Patrick Moynihan, chairman of the Senate Finance Committee and one of the lawmakers who will help determine the ultimate face of the health care plan. State officials said the Governor, who has expressed specific concerns about how the health care overhaul would affect New York's finances, told Mr. Moynihan about changes he would like to see in the plan, including increases in matching funds from the Federal Government to help the state pay its share of Medicaid.

The hospital report is the work of an association that includes the 64 nonprofit and municipal hospitals that provide the overwhelming share of hospital care in New York City.

"If the plan were financed as cur

Continued on Page 29, Column 4

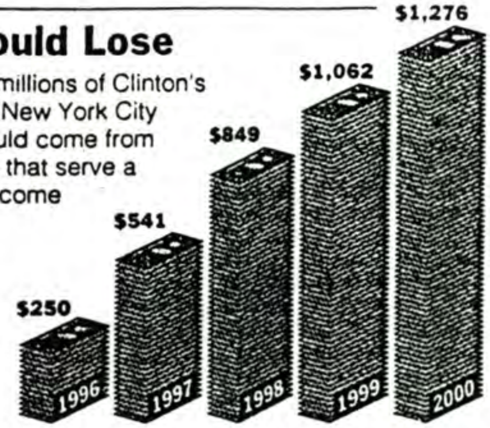
New York Fears Losses Under Health Plan

Continued From Page A1

HOSPITALS

What They Could Lose

Projected net impact in millions of Clinton's health care proposal on New York City hospitals. The losses would come from reduced aid to hospitals that serve a high proportion of low-income Medicaid patients, changes intended to reduce the rise in Medicare costs, and cuts in aid to hospitals that train new doctors.



Source: Greater New York Hospital Association

rently proposed, the hospitals in New York City would experience net revenue reductions of such magnitude that many would not be able to sustain their current level of operations," the report says. "Hospitals most at risk would be those that serve high concentrations of patients whose health insurance coverage is publicly financed through the Medicare and Medicaid programs."

The hospital group said it strongly supported the goals of the health plan, which ultimately should help relieve hospitals of one of their most pressing problems: caring for people who lack either company-sponsored health insurance or Government protection for health care costs.

But the detailed figures in the report suggest that, at least in New York and possibly in other large cities, sharp cuts in reimbursements for Medicare coverage for the elderly and Medicaid coverage for the poor are likely to exceed the increased money from a variety of sources for providing health care to those who are now uninsured. The national health care overhaul could prove particularly difficult for the city's web of hospitals and clinics, the nation's largest public health system.

The problem for New York City involves several factors: New York is more generous in its health care support for low-income people than other cities and it has a larger proportion of people on Medicaid. At the same time, it has a smaller proportion who are uninsured, so it would gain less than other cities from the Clinton plan's support for such people.

"New York's municipal hospitals already face chronic deficits," said Karen Parker, vice president for health economics at the association. "This could develop into a very, very dangerous situation."

Changes to Be Made

At the White House, Richard Kronick, a senior health policy adviser, said the hospital study, which he pointed out was based on preliminary figures, failed to take into account changes to be made in the initial Medicare proposals that should soften the impact on New York City hospitals. Moreover, he said, the study assumes that of the approximately $800 million a year in Medicaid spending cuts, about $300 million of the cuts would be made by state and city governments. Those governments might choose to preserve that aid, even as the Federal share drops.

He also said that some of the money that hospitals expect to lose would flow to doctors and clinics outside the hospital system. "It is important to remember that we are still talking about net increases to the New York health care industry, even if there will be some redistribution to nonhospital providers."

Mr. Kronick said that hospitals should also be able to save money through greater efficiencies in the Clinton plan, like standardized insurance forms. "There's no intention that needed hospital services will be forced to close," he said.

Compensating Aspects

Some local hospital officials expressed reservations about the study. Dr. Benjamin Chu, a senior vice president at the city's Health and Hospitals Corporation, said the report highlighted the "grave revenue implications" for local hospitals of the initial Clinton proposal, but said that he expected certain other aspects of the plan to help compensate for the losses. He mentioned the Administration's promise, which has yet to be spelled out in detail, to provide extra money to cities and states that must provide health care to large numbers of undocumented immigrants.

The study acknowledged that the full impact of the health care proposal is hard to determine, because many of the details have yet to be worked out.

According to the study, which was done in conjunction with a health care consulting company, Network Inc., city hospitals could lose as much as $12 billion from 1996 through 2000 because of Medicare and Medicaid reductions. That sum represents more than 12 percent of the total revenues of New York's hospitals.

In return, city hospitals could expect to receive about $8 billion in new revenues from the Federal Government to expand health care coverage to those who are now uninsured. The shortfall would be almost $4 billion, or roughly 4 percent of the hospitals' expected total spending of about $100 billion over the five years.

The report projects that over five years, the city's hospitals could gain $7.98 billion to provide coverage for the uninsured. But they would lose $4 billion given to hospitals that serve a high proportion of low-income, Medicaid patients. Changes to reduce the rise in Medicare would cut an additional $7.34 billion, and $588 million would be lost in Federal money for hospitals that train new doctors.

Clinton plan could erase 10,000 jobs

BY ROBIN KAMEN
CRAIN'S NEW YORK BUSINESS

More than 10,000 jobs in New York City could be lost if the most basic elements of the Clinton reform plan are enacted.

At immediate risk will be the thousands of insurance agents and benefits consultants who make a living in the city by advising companies on medical policies. But employees of large insurance companies that provide health care coverage are also endangered. The ripple effect will even reach in-house benefits managers and the actuaries who will have little numbers-crunching to do if most premiums are determined by community rating.

"A lot of people are going to be out of the health care business," says Bill Custer, director of research at the Employee Benefit Research Institute, a Washington-based non-profit group.

"The way services are marketed will be radically different, and their traditional roles will no longer exist."

The Clinton Health PLAN IN N.Y.C.

These jobs are imperiled because the Clinton plan envisions eliminating employer-sponsored health coverage for companies with fewer than 5,000 employees.

Instead of sales efforts focused on employers, a regional health alliance for the New York area will select a series of options for coverage available to individuals and families living here. The president seeks to reduce costs by paring administrative and selling expenses.

The Clinton plan may be revised, of course. Affected companies are lobbying lawmakers to drop the minimum to 500 or fewer, and preserve more market share for consultants and brokers.

But no matter how the legislation turns out, reform will accelerate consolidation in the industry and shrink opportunities for consulting work.

The most affected in New York City will be the more than 6,000 brokers who earn commissions by selling health care policies to small employers.

Arnold Kaplan, vice president of Prestige Planning Corp., a Manhattan-based consultant and brokerage that works in the small-group field; maintains that he stands to lose 40% of his practice. "I'm very apprehensive about what's going to happen," Mr. Kaplan says. "We've been through other cuts in business before, but I'm not sure about this one. Maybe I'll go to work for the government."

He and other consultants see a chance to offset some lost

(Continued on Page 30)

From Page 3

business by moving more heavily into pension work, or devising new ways for companies to differentiate benefits packages once health care is standardized.

Many talk of selling supplemental medical insurance. But such policies have failed to make large inroads in countries that have national health care.

"Health care has always been the contract that got you in the door," says Henry Moyer, a partner in Hirschfeld Stern Moyer & Ross Inc., a Manhattan-based benefits consulting firm. "You got medical, then while you were there, you picked up life insurance and other benefits. Now something else will have to drive the business."

The city's large, national consultants are in much the same situation as their smaller colleagues.

While the best-known companies are well-situated to pick up business during the transition to President Clinton's reform, they will have to fight harder for the smaller pool of contracts that will remain afterward.

At William M. Mercer Inc., where health care makes up about 40% of the firm's work, consultants say that they will market more to health care providers, including hospitals, health maintenance organizations and state purchasing alliances.

Huge assignments

"There may be fewer of them, but those that will need help will have huge assignments to give," says Yale D. Tauber, managing director at Mercer.

Others think the regional alliances may do much of the work —such as data analysis—internally. Conflict-of-interest questions would be raised if a consulting firm sought business from the purchasing alliances to analyze the medical outcomes of a managed care company it also represented.

Robert Garvey, manager of employee benefits for Amax Inc., a Manhattan-based aluminum supplier, sees a smaller role for all consultants, including himself.

"If everyone is targeting a boilerplate plan, even employers with more than 5,000 employees, then you don't have a lot of design work to offer consultants," he says. "If alliances take control of offering plans to workers, then in-house benefits departments will have less to do."

Even insurance companies, some of which are expected to benefit as they metamorphose from payers to providers, won't get there without painful cuts. While the insurers will need additional staff to oversee managed care plans, they can make do with far fewer salespeople. The new jobs are expected to pay less than commissioned sales positions.

"The insurance companies really don't need group representatives anymore," says Barry Barnett, a principal with Deloitte & Touche.

The representatives, who often negotiate claims disputes, say their demise will hurt policyholders.

"I think Clinton is being shortsighted," says Alan Press, a principal in Press, Fishman & Rappaport Agency, a Manhattan insurance agent. "Agents perform a vital function."

As they lose salespeople, insurance companies will also shed workers who process claims for traditional insurance contracts, or fee-for-service payments. They hope to minimize those reductions by positioning themselves to offer managed care arrangements under the alliances.

Fewer people needed

They won't, however, need as many people. Philadelphia-based Cigna Corp., for example, recently announced it would cut 1,000 jobs, despite a growing managed care business.

Some insurance companies have even more at risk such as Guardian Life Insurance Co. of America, which has held as much as 16% of the small group health market in New York City.

The company, which threatened to stop selling health insurance in New York after the state instituted community rating earlier this year, eventually decided to stay. It has begun negotiations with managed care companies. Officials at Oxford Health Plans Inc. say they are close to a deal that would let Guardian tap into Oxford's network of doctors and hospitals.

Hospitals, too, will be forced to pare staff. Some workers will lose their jobs as institutions merge to form managed care companies, or shut down for a lack of patients.

Some of those who lose their jobs might find work with the regional alliances, the HMOs and other networks that will expand under the Clinton plan and even the homecare companies that are expected to win new business under the Clinton proposal.

"If you don't find a niche, you're out of luck," says Mr. Moyer, the consultant. ■

THE POST-STANDARD

TUESDAY
OCTOBER 12, 1993

35 CENTS

New York Often Loses to California

■ The Golden State has clearly emerged in front of the Empire State in the Clinton administration.

By JONATHAN D. SALANT
Washington Bureau

In an era of budget cuts, Cornell University officials thought they had the winning argument for a federally funded high energy physics accelerator: They could build it for substantially less than a competitor could.

California's Stanford University also wanted the project, and an independent scientific review board said both universities could handle it. The board, though, agreed that putting the accelerator in Ithaca would be cheaper.

Energy Secretary Hazel O'Leary instead chose Stanford, adding $100 million to the price.

"I would say there are other considerations than simply scientific merit and relative cost," said Henrik Dullea, Cornell's vice president for university relations.

Those considerations, New York officials said, involve President Clinton's tilt toward the nation's most populous state, often at the expense of its second most populous. California has 54 electoral votes; New York has 33.

'Altar' of California

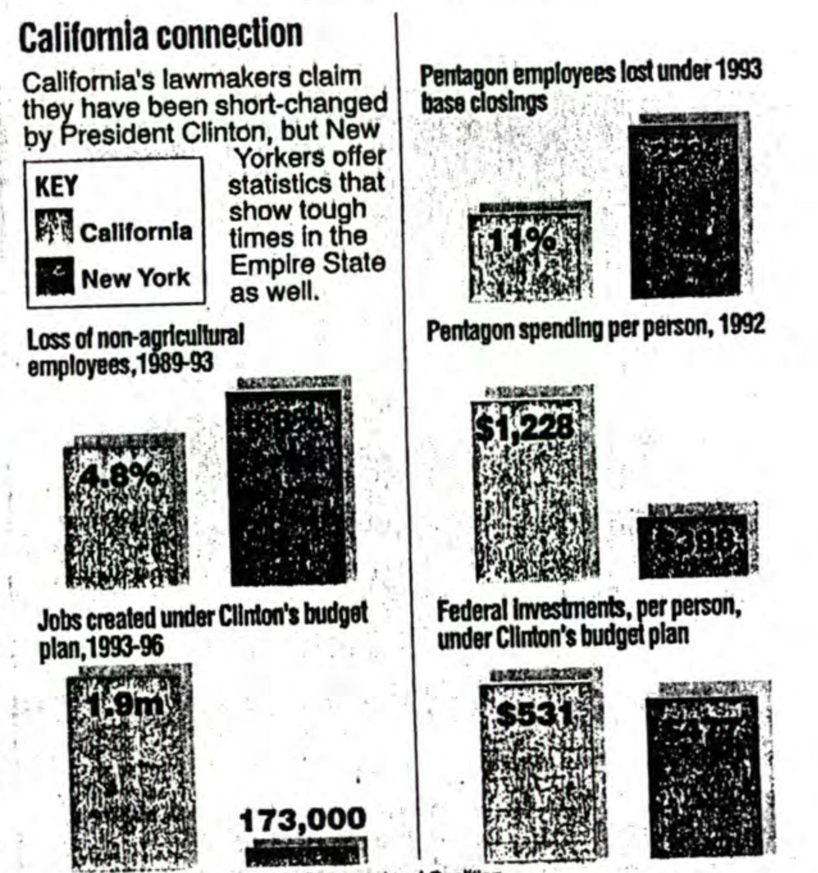
"I see a decided interest in California," said Rep. Sherwood Boehlert, R-New Hartford. "I see a noticeable lack of any special interest with respect to New York. If I were (Gov.) Mario Cuomo and (Sen.) Daniel Patrick Moynihan, I would be incensed. They have provided a great deal of support and assistance to the president. And in return, they have the privilege of his worshiping at the altar of the nation's largest state, California."

Because Boehlert is a Republican, his comments could be dismissed as nothing more than partisan sniping.

But Lt. Gov. Stan Lundine feels the same way. And he's a Democrat, whose boss, Cuomo, nominated Clinton for president.

"We're very concerned, not necessarily about a rivalry with California, but the administration not seeming to be concerned with the enormous problems of New York," Lundine said.

Last fall, only Arkansas voters gave native son Clinton a greater percentage of their votes than New Yorkers did. It marked the fourth time in the last seven presidential elections that a Democrat carried New York. Meanwhile, Clinton's win in California last fall snapped a six-election Republican



Source: Northeast-Midwest Congressional Coalition

KEITH THOMPSON/Post-Standard

(See STATISTICS, back page)

Statistics Show Greater Need in N.Y.

(STATISTICS, from Page A-1)
winning streak.

Clinton's budget, which Moynihan loyally pushed through the Senate, would boost the number of jobs in New York by only 2 percent through 1996, fewer than 44 other states. The number of jobs in California would rise by 14 percent, third highest in the country.

When Clinton wanted to help states hurt by base closings, he selected California and South Carolina. The plan was dropped after Moynihan pointed out that the base closing commission's recommendations would cost New York 75 percent of its major military bases.

Money or words

On the same West Coast trip that Clinton awarded the $237 million energy accelerator, he also gave California $109 million for economic development and low-income housing. That made the total value of his trip $346 million.

On Clinton's last trip to New York, all he brought with him was a re-election endorsement of New York City Mayor David Dinkins.

"This is a clear indication of bias," said Rep. Maurice Hinchey, D-Saugerties, whose district includes Cornell. "I also think it's a clear misunderstanding of where the need is."

White House spokeswoman Lorraine Voles acknowledged Clinton's interest in California, spurred by economics, not politics.

"The California economy is such a great part of the national economy and because they've been taking so long to recover, they have received some special attention," she said.

"It's not a question of New York being taken for granted. It's just a case of California needing a little bit of extra help."

Clinton's efforts have not gone unappreciated by California's federal lawmakers.

"President Clinton has shown a lot of interest in California's problems because our problems are great," said Rep. Henry Waxman, D-Calif. "If we're doing poorly economically, it's going to be a drag on the whole country."

Side by side

But New York's economic problems are even worse:

■ Between 1989 and 1993, New York lost 6.6 percent of its nonagricultural jobs, U.S. Labor Department data shows. California lost 4.8 percent of its jobs.

■ Manufacturing employment declined by 18 percent in New York between 1989 and 1993. California lost 16.8 percent of its manufacturing jobs.

■ The value of military contracts above $25,000 awarded to New York companies declined by 31 percent between 1986 and 1991, Defense Department statistics show. The state's share of the national total dropped from 7.3 percent to 5.6 percent. California's military contracts declined by 13 percent during the same period. Its national share went from 20.6 percent to 19.8 percent.

■ The base closing commission decisions will cost New York 22 percent of its Defense Department employees, compared to 11 percent for California.

Following that decision, the California congressional delegation asked Budget Director Leon Panetta and Robert Rubin, director of the National Economic Council, to finance the energy accelerator at Stanford to help mitigate the damage caused by the base closings.

Panetta and Rubin planned to give the project to California until Moynihan stepped in and demanded the independent scientific panel. The panel said both Stanford and Cornell were qualified to run the accelerator, though it would be cheaper to build it in Ithaca. Still, the accelerator went to California.

"We wanted a level playing field. Once you've got a level playing field, the people who are knowledgeable in science make the call," Dullea said. "That's what we feel didn't happen here."

WITH FRIENDS LIKE THESE . . .

Bill Clinton and Pat Moynihan have adopted an economic package that is decidedly anti-New York City

ANYONE who doubts that New York City is in deep trouble should look beneath the surface of a deal widely claimed as a triumph for the city.

When Morgan Stanley forked out $176 million for a new headquarters on Broadway, the city's boosters hailed it as a triumph, a reflection of the big investment banker's faith in New York. Hardly. Morgan Stanley had already committed to remain here, in return for substantial relief from the city's onerous taxes. Given that commitment, it knew a bargain when it saw one: $176 million for a structure that cost $350 million to build.

What those numbers really say is that it is much less valuable to be located in New York than it was only a few years ago. A developer then could reasonably expect to recoup his $350 million investment from tenants willing to pay commensurate rents. No longer. Now they're willing to pay only half that for the privilege of being here — and then only if the city lets them off its tax hook. Why?

In part, because New York is being destroyed by its self-styled friends. Remember President Ford, who was (falsely) reported to have told the city to drop dead? Or Ronald Reagan, who David Dinkins and other Democratic big-city mayors (falsely) accuse of starving the cities for funds? Ford and Reagan are gone now. In their place, we have Bill Clinton, friend of the dispossessed urban masses, aided and abetted by the Big Apple's staunchest Senate supporter, Pat Moynihan.

Moynihan, recall, periodically complains that New York State pays much more into the federal government's coffers than it receives in return. His ally, the President, promises to fix all of this by channeling more funds into grants to unemployed summer "youths," special bank loans to non-creditworthy businesses in ghetto areas and a host of other programs last fashionable when a jacketless John Lindsay and his young idealists prowled the streets of the city in search of racial peace and urban renewal.

But the old axiom that it is more important to watch what politicians do than to listen to what they say has special significance in the age of Clinton. The President and his new right-hand man, Pat Moynihan, chairman of the Senate Finance Committee, have adopted a decidedly anti-New York City economic program.

Start with the increase in tax rates of the "rich." Although it is true that any individual anywhere in the U.S. who earns more than $115,000, or any couple earning more than $140,000, will pay more taxes, it is also true that someone in that bracket might be truly rich in Arkansas but far less affluent in New York City, where rents and other living costs are so much higher. Because tax laws take no account of differences in the cost of living, the new rates cut much more deeply into the discretionary incomes of New Yorkers than into those who live elsewhere. That means less money to spend on medium and high-ticket items, less business for shopkeepers, lower sales tax receipts for the city and the state.

That's only the first part of the double whammy the new tax bill deals New Yorkers. Because most of the money from the so-called rich will be paid by small businesses, New York will be especially hard hit. This city depends on small businesses to create jobs. Thanks to the Clinton-Moynihan axis, they'll have less money available to invest in their businesses, and less incentive to do so. And, with a payroll tax to finance health care reform in the offing, small businesses have added reason to be cautious about adding staff.

So beware of White House figures claiming the new economic program will create jobs in New York. It won't. Before the plan became law, administration economists were projecting a total of over 9 million new jobs in America during Clinton's "first" term. Now they say the new plan will lead to 8.3 million jobs — about 1 million fewer than the White House projected before its economic plan skinned through the House and Senate.

Finally, in an effort to make sure that no vibrant New York industry escapes the tax lash, the President and our senior senator cut to 50 per cent (from 85 per cent), the amount of business entertainment and restaurant charges that may be deducted from taxes. The cost of a Japanese-made word processor used to produce a sales letter remains fully deductible. But if you get a favorable response and close the deal over dinner in one of New York's fine restaurants, only half the cost of the meal can be deducted, even though the IRS recognizes the outlay as a legitimate business expense.

This won't exactly improve the income prospects of waiters, dishwashers and bus boys — the entry-level workers over whom the President and Secretary of Labor Robert Reich spill so many tears.

Pat Moynihan remains an ornament to the Senate, New York's gift to the nation. No one can match the depth of his understanding of the social problems that the city and the nation face. In sociology, the former professor deservedly gets straight "A's." But in urban economics — at best a gentleman's "C."

Irwin Stelzer is director of regulatory policy studies at the American Enterprise Institute.

EUREKA: *Sen. Daniel Patrick Moynihan leaves the office of Rep. Dan Rostenkowski during the recent budget battle.* Associated Press

> ***New York is being destroyed by its self-styled friends: Bill Clinton, friend of the dispossessed urban masses, aided and abetted by the Big Apple's staunchest Senate supporter, Pat Moynihan.***

The Bottom Line/Christopher Byron

FAT-CAT FOLLIES

PUNISHING NEW YORK

REMEMBER THE 1990 BUDGET SUMMIT'S so-called luxury tax? The idea was, as you'll recall, to help reduce the deficit by forcing self-indulgent moguls to pay more for things like 80-foot yachts and fancy sports cars ("The Bottom Line: High and Dry," May 4, 1992). Yet the tax proved to be a disaster, wiping out 25,000 jobs in the boat-building industry alone, while bringing a mere $16 million in revenue from yacht sales since the tax's enactment.

One would think that with such an experience still fresh in their memory, lawmakers would have thought twice before once again trying to raise revenue by taxing discretionary spending and so-called luxury items that people can do without. Yet thanks to a little-noticed tax provision in Bill Clinton's budget and tax bill, which Congress began debating last week in a House-Senate conference committee, the country is about to go through the same thing all over again. Specifically, the administration wants to slash—to 50 percent from 80 percent—the portion of meals and client entertaining that folks can deduct as business expenses for tax purposes. The change will almost certainly cause business-related dining to decline in restaurants everywhere, while costing the jobs of, by one estimate, some 165,000 dishwashers, waiters, and other service personnel.

In reality, Congress *knows* that the president's idea is a bad one. Indeed, if the luxury tax is any guide, the reform probably won't bring in even a fraction of the $16 billion or more in revenue claimed for it. The Senate even went so far as to pass a "sense of the Senate" resolution in late June that objected to the whole idea of monkeying around with business meals and entertaining.

MOYNIHAN: *Where's the clout?*

Yet, like the Bourbon kings of old (whom Napoleon called "imbeciles" and who Talleyrand said "had learned nothing and forgotten nothing"), the legislators in the joint conference committee seem set to approve the reform anyway. The reason? According to Lawrence O'Donnell, staff director of the Senate Finance Committee, scrapping the scheme would require the lawmakers to come up with an alternative revenue-raising measure—a measure that might not seem so conveniently targeted at fat-cat businessmen who get tax breaks to eat out. Save for some nipping and tucking around the edges—as, for example, exempting performing arts like concerts and Broadway shows from the bill—O'Donnell sadly expects the reform to emerge from the committee unscathed.

The impact on the restaurant industry will be harsh, to say the least. Collectively, restaurants are America's biggest retail employer, providing jobs to more than 9-million people while generating $38 billion in spending on business meals and associated travel outlays alone. The National Restaurant Association, the industry's Washington, D.C., trade group, estimates that the administration's proposed reform would cut spending on business meals by roughly 10 percent, or about $3.8 billion, while wiping out 165,000 jobs.

SMITH & WOLLENSKY: *Facing another hit by the tax law.*

According to the trade group's figures, some $2.7 billion in business-meal spending takes place in the New York metropolitan region alone, suggesting a loss of $270 million annually, as well as 10,000 to 12,000 jobs. In fact, New York freshman congresswoman Carolyn Maloney, who has led a gutsy, but seemingly doomed, fight to defeat the reform, has compiled figures indicating that when the ripple effect on hotels and theaters is thrown in, the revenue loss to the New York economy could run as high as $1 billion annually, with perhaps as many as 48,000 jobs being wiped out.

Figures like these simply confirm what every restaurant operator knows from experience: When prices go up, business goes down. When Congress reduced the deductibility of business meals to 80 percent from 100 percent as part of the 1986 tax-reform act, the lunch-hour traffic at business and financial watering holes all over the country began to diminish. "At our peak year, in 1987, we had 350,000 members," says Robert Juliano, of the Hotel Employees and Restaurant Employees International Union. "Since then, we've lost 35,000 members, mainly at the bottom end."

Fred Sampson, president of the New York State Restaurant Association, estimates that New York alone has seen its restaurant business decline by 5 to 7 percent as a result of the 1986 reform.

Ultra-expensive power places like Le Cirque generally managed to escape the 1986 reform unscathed—mainly, it would appear, because chief executives were ready to go on lunching with one another whether the meals were deductible or not. But it was a different story altogether for the sort of meat-and-potatoes dining establishments in which the white-collar

Photographs: top, Wally McNamee/Sygma; bottom, Charlie Samuels

working stiffs of New York have traditionally gathered to talk business.

"Our peak year was 1986," says Alan Stillman, president of the New York Restaurant Group, which employs 450 workers and operates such well-known establishments as the Manhattan Ocean Club, the Post House, and Smith & Wollensky. For the first three years after tax reform, says Stillman, his company's lunch-hour traffic, which is largely business-oriented, went steadily downhill. Meanwhile, the company's evening trade flourished, showing plainly enough that the lunch-hour decline was not a function of the city's deteriorating overall economy.

The decline in lunch-hour traffic has naturally cost jobs. In 1985, Smith & Wollensky employed 44 lunch-hour waiters; now the restaurant has only 32. During that period, Smith & Wollensky has eliminated two cooks, one dishwasher, one porter, and the equivalent of half a bartender—all for the lunchtime trade alone.

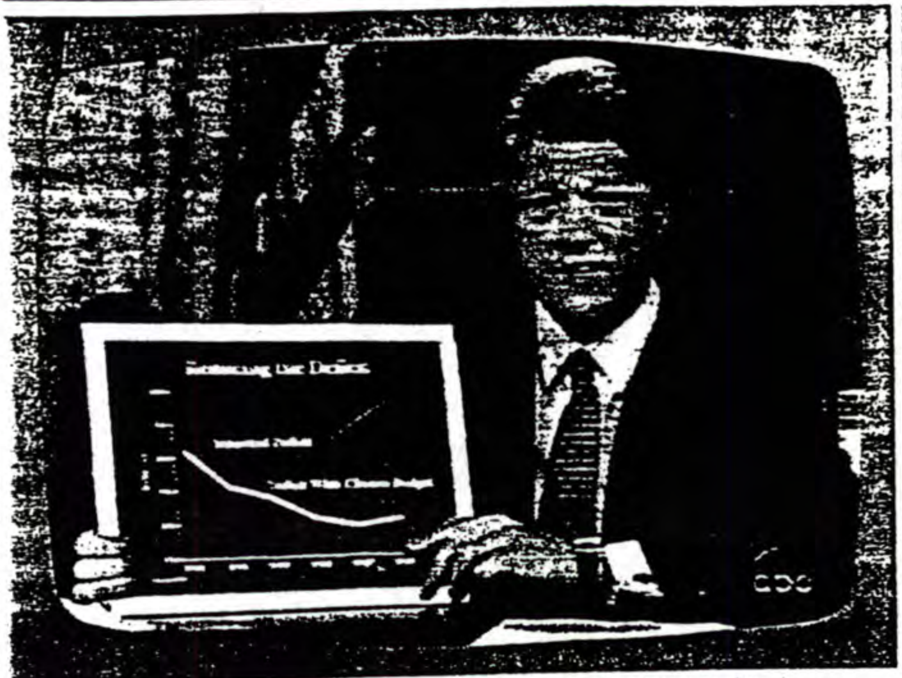
New York's congressional delegation has been pathetic on this issue. Senate Democrat Daniel Patrick Moynihan, chairman of the Senate Finance Committee, presumably has at least some clout with the White House on tax matters. But unlike such politically shrewd operators as his predecessor in the job, Lloyd Bentsen—who zealously guarded the interests of the Texas oil industry in every tax bill that came his way—Moynihan failed to take the early and decisive action needed to kill the idea of slashing the deductibility of business entertaining last winter before it became part of the president's budget package in the first place.

Another natural opponent of the reform should have been the largely Democratic Congressional Black Caucus, since many of the people to be thrown out of work will be blacks, Hispanics, and other minorities clinging to entry-level positions in the mainstream economy. Yet so far, the Black Caucus has taken no noticeable stand on the matter, and neither has Harlem congressman Charles Rangel—who has been, on other issues, one of the caucus's noisiest members.

What's really going on here is the tyranny of ideologically inspired self-censorship—a sad commentary indeed on what passes for leadership in Washington today. Every one of these lawmakers knows full well that reducing the deductibility of business lunches will cost the economy jobs—and that New York City stands to be the biggest loser. But none wants to be the one to speak out in favor of a tax break that purists contend would favor the well-off over the needy. Too bad, for by their self-imposed silence they are insuring that the needy will be the ones who wind up suffering the most. ■

The Bottom Line/Christopher Byron

COMPROMISING POSITIONS



JUST SAY YES: *The president makes an eleventh-hour TV pitch for his plan.*

HOW THE BUDGET BILL WENT AWRY

"ONCE THEY DROPPED THE ENERGY TAX AND couldn't replace it with a gasoline tax any higher than 4.3 cents per gallon, all the numbers in the budget plan went out of whack, and the negotiators became desperate to get revenues any way they could."

The speaker was Steven Robinson, a senior policy analyst on the staff of the House Republican Study Committee in Washington. He was explaining the guiding principle by which congressional negotiators—New York's Democratic senator Daniel Patrick Moynihan prominent among them—last week finished their work on the budget plan President Bill Clinton proposed this past winter.

As originally put forth, Clinton's program was designed to spread the burden of deficit-cutting evenly throughout the economy. But the plan that emerged from the House and Senate joint conference committee resembles George Bush's economically contractional budget deal of 1990.

Not only is the Clinton plan now poised to raise taxes in the face of a weakening economy (the key blunder of the 1990 Bush plan) but nearly all of the increase will be shouldered by only one class of taxpayers—those with six-figure incomes. They are unexpectedly being asked to help make up for the loss of revenue from the now-dead energy tax by paying nearly $7-billion in new taxes, retroactive to last January.

By the time you read this, Senate and House conferees will have completed their job and voted on the result, with final passage by the full House and Senate certain to have been close. Yet whatever happens in either chamber, the seven-month saga of the Clinton budget plan shows how political expediency can overwhelm sound economic policy and drown out sensible calls to stimulate the economy by enacting the sort of tax cuts Clinton himself called for in his campaign.

The sad history of the Clinton economic package also points up the distorting effect Ross Perot has had on economic-policy debate in Washington itself. As folks may remember, Bill Clinton didn't run for president on a promise to balance the budget; he became interested in the subject only after Ross Perot got 19 million votes in the November election on a vague promise that if he were elected, he'd balance the budget.

The administration's response to Perot was a budget plan that amounted to fiscal double-talk. In the plan, tax increases were disguised as spending cuts, and there were promises of future spending reductions to offset the spending increases that were to go into effect immediately.

Congress could—and should—have ripped the plan up by its roots and started over fresh. Yet legislators let the administration take the initiative in campaigning to convince the public that this time Washington really could be counted on to deliver on its promise of future spending cuts. Meanwhile, individual congressmen began getting concessions from the White House in return for their support. That process of negotiation and compromise has made no one very happy.

In a televised address to the nation last week, the president declared that his plan was good for small business and that it was endorsed by the National Association for the Self-Employed. But officials at the NASE immediately issued a statement declaring that the NASE does *not* support the package.

Senate minority leader Robert Dole, who has been attacking the plan for months, sounded off when the president was finished. In his own televised address to the nation, Dole maintained that the president's package would not cut spending, but would curb growth and cut the rate of job creation. Last week, New York economist Alan Sinai estimated that the slowdown would wind up cutting economic growth by one half a percentage point over the next three years, while preventing the creation of as many as 750,000 jobs.

The budget bill won't be something Pat Moynihan will look back on fondly. As chairman of the Senate Finance Committee, Moynihan was responsible for putting together the Senate version of the president's plan. But in so doing he failed to prevent the deductibility of business meals and entertainment from being reduced from 80 to 50 percent. The failure will hit New York harder than any other region of the country, costing the jobs of perhaps as many as 12,000 low-income waiters, dishwashers, and other restaurant workers in the New York metropolitan area alone ("The Bottom Line: Fat-Cat Follies," July 26).

The joint conference committee (whose co-chairmen are Senator Moynihan and Representative Daniel Rostenkowski of Illinois) sought a way out of the problem by giving certain restaurants tax credits for any payroll-tax payments the restaurants may make on the tip income of their employees. But this will apparently amount to only a fraction of what restaurants now stand to lose from the limitation on deductibility. "We're talking about billions going out and only millions coming back in," complains Jeffrey Prince of the National Restaurant Association. "The thing's a joke."

Moynihan also got his pants taken off

over the question of retroactivity for income-tax increases on rich people. Back in June, he appeared on *This Week With David Brinkley* and declared flat-out that tax increases would not be retroactive. Saying "no, it doesn't feel right to anybody . . . ," he announced that any tax increases would take effect only as of July 1.

Unfortunately for Moynihan, senatorial support for an energy tax was already beginning to collapse. When it finally did, conferees were forced to begin scurrying around in search of revenue from elsewhere—without which Congress would fail to come within the president's guideline of nearly $500 billion in deficit reduction by 1997. Suddenly, the idea of wringing an estimated $6.75 billion out of "rich people" by making the income-tax hike on them retroactive to January 1 didn't seem so offensive—and that is what the conference committee wound up deciding to do.

Contrary to White House assertions that the president's plan is the only serious deficit-cutting proposal on the table, there have been other—and better—plans available from the start. One of these is a proposal (H.R. 2434) introduced in the House earlier this year by Republicans Rod Grams of Minnesota and Tim Hutchinson of Arkansas, with almost 60 cosponsors.

If, by some chance, the conference-committee bill should fail to pass the Congress, the Grams-Hutchinson alternative—which was originally developed by budget experts at Washington's right-leaning Heritage Foundation—could attract bipartisan support. The plan would cap the growth rate of federal spending at 2 percent annually, reducing the deficit by $633 billion by 1998. A bi-partisan commission would be appointed to identify specific savings and policy changes to meet the spending caps. And a sequester provision similar to the now-dead Gramm-Rudman deficit-reduction act would give the plan teeth.

Meanwhile, a third of the savings from the 2 percent spending cap would be plowed back into the economy in the form of tax cuts. Some $135 billion would go to families with children, with each such family receiving a $500 tax credit for every dependent child. This would mean anywhere from $27 million to $94 million in direct cash benefits for every congressional district in the country—something individual congressmen would doubtless be proud to boast about to the folks back home.

Unfortunately, as things stand now, the folks back home will be lucky if they ever hear of this plan, let alone see it enacted into law. More likely, they will be living instead with yet another fiscal fiasco from their elected representatives in Washington—a budget-plan hodgepodge that no one truly seems to like.

The Buffalo News
October 18, 1993

Area hospitals see big losses with reform

By DOUGLAS TURNER
News Washington Bureau Chief

WASHINGTON — Western New York's hospitals, already reeling from massive cash problems, predict that the Clinton health-care reform package on top of recently enacted federal budget reductions will cost the hospitals $818 million over the next seven years.

About half the losses will stem from the budget reforms, the Western New York Hospital Association estimated, and half stem from cutbacks in funds envisioned by the White House health-care package.

This twin squeeze on revenues could force some hospitals out of business, said Linda Schineller, spokeswoman for the 30 hospitals in the regional association. Last year "was one of the most difficult in recent memory," she said.

Already under tight state restraints, the region's hospitals lost an aggregate $29 million, triggering layoffs and curtailment of services, she said.

The state hospital association said in its forecast that the administration program will trigger losses of $4.1 billion, on top of a $5.3 billion hit expected by the year 2000 as a result of the budget act.

These grim projections by the politically powerful hospital organizations, made as the White House wrestles with the fiscal details of its plan, have put state and federal health planners on the defensive in what promises to be a long and divisive debate over reforms.

"The hospitals are clearly trying to deal themselves a good seat at the bargaining table," said a senior state health strategist who spoke only on condition he not be identified. "Some hospitals are slow to accept their their role in the health care network is radically changing. We may not need as many big ones, for example.

"Some teaching hospitals may resist shrinking this state's role in medical education. A very expensive item. I don't see why New York, with only 7 percent of the country's population, should have to educate 15 percent of the nation's doctors."

One congressional official, who insisted on anonymity, criticized some of the hospitals' calculations.

"They aren't accounting for any paperwork savings, or savings resulting from consumers' alliances," he said.

The regional association said in its newsletter that the Clinton plan will reduce medical education payments. Actually, the administration plans to increase funds for medical education. But it will divert much of the money from hospitals to medical schools in the belief that the schools will do a better job of encouraging more doctors to become general practitioners.

Bill Pike, president of the association, acknowledged the estimates are preliminary but insisted the organization has enough information to forecast back-breaking local losses as a result of the administration's proposal to reduce Medicare reimbursement to the state by $238 billion.

The White House is banking on paperwork savings and cutbacks in Medicare and Medicaid funding to pay for health-care coverage for 37 million uninsured Americans, Pike said.

"Taking $238 billion (in Medicare money) from the country's hospitals and other providers would be devastating," he said. "We don't think the model for (the Clinton health program) exists in the real world."

The emphasis on cuts in Medicare, the health insurance program for the elderly, and Medicaid, a stop-gap program for the poor, is putting a lot of pressure on Sen. Daniel Patrick Moynihan, D-N.Y., chairman of the Senate Finance Committee. Moynihan's committee will have to deal with those two issues.

He and Gov. Cuomo discussed the proposed cuts at a meeting in New York City 10 days ago. Neither would comment directly on the meeting.

But state and Senate sources said the two agree that Medicaid must be folded into the federal health-care program, eliminating the $2,800 per-patient subsidy the state now contributes.

Moynihan and the governor agree that any health-care reform recognizes the extraordinary burden placed on New York State by illegal aliens and patients with AIDS and tuberculosis.

Cuomo: Support will cost Clinton

More Medicaid cash key to governor's backing on health plan

Gov. Mario Cuomo greets residents of Vinette Towers senior housing Tuesday in Syracuse.

SYRACUSE (AP) — As President Clinton prepared to unveil details of his health care package today, Gov. Mario Cuomo vowed not to support it unless it would give more federal Medicaid dollars to New York state.

Cuomo said New York is unfairly burdened with a greater share of health care costs than other states, and said that the federal formula which determines how many Medicaid dollars go to each state is biased against larger states.

"We cannot afford this unfair allocation of Medicaid dollars, and my position is I will not approve of any plan which does not do a little closer to fairness on Medicaid," Cuomo said Tuesday at an annual meeting before the New York Association of Counties in Syracuse.

Cuomo said U.S. Sen. Daniel Patrick Moynihan shares his position.

Clinton is scheduled to unveil details of his health care reform bill before Congress today.

Under the federal Medicaid reimbursement formula, New York receives only 50 percent of the cost of caring for Medicaid recipients' care, Cuomo said. However, states such as Tennessee receive as much as 82 percent, he said.

In regards to state health care, the governor chastised county officials for not supporting his proposals on Medicaid reform. Cuomo has proposed that the state assume the share counties pay for Medicaid.

Currently, Medicaid costs are shared between federal, state, and county governments.

Cuomo called the Republican-controlled state Senate's plan countering his proposals a "joke" because it requires the counties to reduce their costs to 6 percent annual growth before the state will take over all Medicaid cost. Cuomo's plan would not impose such caps.

"C'mon Ralph," Cuomo said, referring to state Senate Majority Leader Ralph Marino. "If we could reduce growth to 6 percent growth we wouldn't need you."

Cuomo Wants More Medicaid Help

Gov. Mario Cuomo has served public, written notice on President Clinton he will not approve any health plan, including the one the president unveiled Wednesday night, unless it provides more than 50 percent federal reimbursement for Medicaid to this state.

Cuomo claims, and produces figures to prove it, that New York state is being shortchanged by the feds on Medicaid reimbursement.

The governor repeated that charge forcefully and frequently during his visit to Syracuse this week.

The reimbursement formula is rigged to penalize New York state, he contended. He pointed out that Tennessee gets 82 percent federal reimbursement for its Medicaid program, while New York has to settle for 50 percent.

Cuomo claims he has a strong ally in his charge that the reimbursement formula is discriminatory. The General Accounting Office in Washington, D.C., the governor declared, reported the reimbursement system is unfair. The states that suffer the most, Cuomo asserted, are New York, California, Texas and Florida.

The GAO is a supposedly nonpartisan, independent body that audits federal agencies but is beholden to Congress for funding, like any other federal agency.

The governor maintains, "We now subsidize most of the United States of America," and he recalled annual reports issued by U.S. Sen. Daniel Patrick Moynihan, Senate Finance Committee chairman, show with monotonous regularity that "we give to Washington much, much more than we get back."

The governor asserted, "We cannot afford this unfair allocation of Medicaid dollars and my position is I will not approve any (health) plan that does not do a little closer to fairness on it. If it went to 56 percent the state would do a billion-and-a-half dollars better," the governor claimed.

The governor got in some licks, too, during his Syracuse visit, at the New York State Association of Counties when he spoke at the association's fall seminar in the Hotel Syracuse.

During his speech, he pointedly chided the association for its failure during the recent state legislative session to take a position on one of two bills before the Legislature authorizing a state takeover of the local share of Medicaid costs.

The governor proposed a bill Senate Republicans would not approve. The Senate Republicans then advanced their own bill. But, Cuomo noted, while NYSAC members have loudly and roundly denounced the hefty local cost of Medicaid and purportedly supported a state takeover of the local share of the cost, they did not speak out for either his bill or the Senate bill during the session. As a result there was no legislative action.

Cuomo said he couldn't get his bill passed because "the Senate Republicans said no."

The Senate then came up with its own plan, he said, and he branded the Senate proposal "a joke." He declared, "What it said was we'll pick up the Medicaid but first get rid of all the optional services. Reduce your costs down to 6 percent growth."

Cuomo asked the question of his audience: "Where was the association? No position between the Republicans and the governor's plans. Why not? You said, 'You guys get together.' I said forget about it. They are never going to get together. They don't want to pick up your Medicaid. Why not?

"Because it will cost them money and they get no credit for it." The governor continued, "You are afraid to take the right position. That's your problem. If you don't take the right position, please don't complain. And please when you run for office don't go to your people and say you are disappointed in the governor."

During his Syracuse visit the governor bluntly reminded county officials who complain about the high cost of welfare that they are not taking advantage of a state law that empowers them to deny welfare to recipients who refuse to work.

Three or four counties have tried it, he declared, and the results have been good. There is also a provision, he said, where certain welfare recipients can be forced to do community-type work and be paid a minimum wage that is applied against their welfare grant, and if they refuse they can be knocked off the relief rolls, the governor maintained.

Usually when he criticizes the Legislature for failure to cooperate with him, Cuomo points his finger at Senate Republicans. This week, however, the governor chastised the Assembly Democrats for their failure to produce a Workers' Compensation reform bill to help ward off a huge Workers' Compensation insurance rate hike.

Bliven is a Post-Standard Albany correspondent.

Moynihan wants to abolish Medicaid

Senator says cost too high in New York

By KYLE HUGHES
Gannett News Service

ALBANY — U.S. Sen. Daniel Patrick Moynihan has an idea that could save New York taxpayers something like $11 billion a year.

He wants to abolish Medicaid, the government program that provides health care for the poor. The $11 billion is what the state Budget Division estimates is the state and local government share of the cost. When federal dollars are added, total Medicaid spending here will total about $23 billion this year.

Moynihan isn't calling for survival of the fittest, only for New York to be treated more fairly by the federal government, whom he believes should be responsible for health care for the poor.

He also thinks that health-care reformers should realize that there should be limits to what a government-backed universal health care program can offer.

President Clinton has opened a window for that kind of drastic restructuring and realism with his health-care plan. It was supposed to be submitted to Congress this week, but administration now says it is two to five weeks behind schedule.

Moynihan

That delay may be worth it if it allows Moynihan and others more time to talk about other ways to treat Medicaid patients and structure a health-care program the nation can afford.

Besides, it seems clear that Medicaid will be changed by the time Congress passes a health-care bill sometime next year.

"I cannot imagine Pat Moynihan or myself or New York State saying, OK, we'll take a health-care reform bill that leaves Medicaid exactly where it is," Gov. Mario Cuomo said last month.

Moynihan, in his annual report on federal-state fiscal relations, says that the federal share of Medicaid was $11 billion in 1978 —about the same as the amount now spent by state and local governments in New York alone. President Clinton's budget deficit bill that passed Congress this summer projects that Medicaid will cost the federal government $143 billion five years from now.

The core of Moynihan and Cuomo's complaint is that it is unfair for New York to pay about half of the cost of Medicaid while a state like Mississippi only has to kick in 17 percent.

The rationale is that New York is wealthier than Mississippi. That may be true, Cuomo argues, but New York's need for a program like Medicaid is greater.

"(Medicaid) is properly a national responsibility," Moynihan wrote in his report. "Just as is nutritional aid and food stamps.

"The problem is that in 1965, when Medicaid was enacted (and expected to cost pennies) everyone 'knew' that New York was 'rich' as compared to other states. Accordingly, the federal government undertook to pay 83 percent of the cost of Medicaid in Mississippi, but only 50 percent in New York.

Health Plan Hailed in N.Y. State

Officials Concerned About Restriction on Medicaid, Medicare Funds

New York Times

ALBANY — Because New York has 2.2 million residents without health insurance, state officials applaud President Clinton's plan to provide coverage for everyone. But they are concerned that any savings for the state produced by universal coverage might be undermined by the administration's proposal to limit the growth in federal payments for Medicaid and Medicare.

The Clinton administration has yet to release details about how its proposed cap on spending on programs for the poor and disabled and the elderly would affect each state. Therefore, New York officials cannot yet determine the actual impact of the plan on the state's budget.

Hospitals would receive a windfall as large numbers of the uninsured would be newly covered, at work or with the aid of federal subsidies.

Even so, Kenneth E. Raske, the president of the Greater New York Hospital Association, which represents hospitals in New York City, said, "It looks like the impact will be negative and it looks like it will be fairly severe."

The anxiety in New York State could have a political impact in Washington because Gov. Mario M. Cuomo and other state leaders are conveying their apprehensions to the state's senior senator, Daniel Patrick Moynihan. As chairman of the Senate Finance Committee, Moynihan will almost certainly be a crucial player in negotiations on the health care plan, and he has already criticized the financing of the Clinton proposal as "fantasy."

Cuomo and Moynihan, both Democrats, are using their concern about the Clinton plan as leverage to push for changes in the federal government's Medicaid reimbursement formula, which they feel is unfair to New York. Designed nearly three decades ago, the formula allows the federal government to reimburse New York for 50 percent of its Medicaid spending while reimbursing states considered poorer for nearly 80 percent of their costs. The remaining Medicaid costs in New York are paid by the state and local governments.

New York officials argue that the formula, which is based on the average income of workers in states, is outmoded, particularly given the state's responsibility for dealing with AIDS, homelessness, drug abuse and tuberculosis. The General Accounting Office, an investigative arm of Congress, agreed in a recent report, but the Clinton plan does not address the issue.

"We cannot afford this unfair allocation of Medicaid dollars, and my position is I will not approve of any plan which does not do a little closer to fairness on Medicaid," Cuomo said Tuesday in Syracuse.

Deep cuts in Medicaid, in particular, could hurt New York disproportionately because the state has a large number of recipients and broad eligibility standards compared with other states.

In the 1992 federal fiscal year, 8 percent of all Medicaid recipients lived in New York, second only to California, according to the federal Department of Health and Human Services. But almost 17 percent of all Medicaid dollars were spent in New York, nearly double the amount spent in California.

Medicaid spending in New York, excluding spending on mental health, is projected to be $19.6 billion in the 1993-94 state fiscal year. It is growing at 13 percent a year, placing a continuing strain on state and local budgets.

Cuomo wants more money for N.Y. before he backs plan

SYRACUSE (AP) — As President Clinton prepared to unveil details of his health care package today, Gov. Mario Cuomo vowed not to support it unless it would give more federal Medicaid dollars to New York state.

Cuomo said New York is unfairly burdened with a greater share of health care costs than other states, and said that the federal formula which determines how many Medicaid dollars go to each state is biased against larger states.

"We cannot afford this unfair allocation of Medicaid dollars, and my position is I will not approve of any plan which does not do a little closer to fairn ess on Medicaid," Cuomo said Tuesday at an annual meeting before the New York Association of Counties in Syracuse.

Cuomo said U.S. Sen. Daniel Patrick Moynihan shares his position.

Clinton is scheduled to unveil details of his health care reform bill before Congress today.

Under the federal Medicaid reimbursement formula, New York receives only 50 percent of the cost of caring for Medicaid recipients' care, Cuomo said. However, states such as Tennessee receive as much as 82 percent, he said.

In regards to state health care, the governor chastised county officials for not supporting his proposals on Medicaid reform. Cuomo has proposed that the state assume the share counties pay for Medicaid.

Currently, Medicaid costs are shared between federal, state, and county governments.

Cuomo called the Republican-controlled state Senate's plan countering his proposals a "joke" because it requires the counties to reduce their costs to 6 percent annual growth before the state will take over all Medicaid cost. Cuomo's plan would not impose such caps.

"C'mon Ralph," Cuomo said, referring to state Senate Majority Leader Ralph Marino. "If we could reduce growth to 6 percent growth we wouldn't need you."

Governor: N.Y. needs a break on Medicaid

The Associated Press

SYRACUSE — Gov. Mario M. Cuomo says he will not support President Clinton's health care plan unless it pays a greater share of New York's Medicaid bill.

At an annual meeting before the New York Association of Counties in Syracuse this week, Cuomo said New York is unfairly burdened with a greater share of health care costs than other states.

"We cannot afford this unfair allocation of Medicaid dollars, and my position is I will not approve of any plan which does not do a little closer to fairness on Medicaid," Cuomo said.

Under the federal Medicaid reimbursement formula, New York receives only 50 percent of the cost of caring for Medicaid recipients' care, Cuomo said. However, states such as Tennessee receive as much as 82 percent, he said.

Cuomo said the formula that determines how much federal Medicaid states will receive is biased against the nation's largest states, and must be changed.

"I can't say yes to any health plan that doesn't do something about the Medicaid formula," he said.

Cuomo said U.S. Sen. Daniel Patrick Moynihan shares his position.

In regards to state health care, the governor chastised county officials for not supporting his proposals on Medicaid reform. Cuomo has proposed that the state assume the share counties pay for Medicaid.

Currently, Medicaid costs are shared between federal, state, and county governments.

Cuomo called the Republican-controlled state Senate's plan countering his proposals a "joke" because it requires the counties to reduce their costs to 6 percent annual growth before the state will take over all Medicaid cost. Cuomo's plan would not impose such caps.

FICKLE BILL'S A FAIR-WEATHER FRIEND FOR N.Y.

MAYOR Dinkins keeps touting the joys of having a Democratic friend in the White House as part of his reelection pitch — but has President Clinton really been good for New York?

Sure, the rhetoric is kinder and gentler toward the Big Apple, but even loyal Democrats concede that when it comes to dollars and cents — there are no big gains over the Reagan-Bush era.

"We don't have to fight to get on the agenda, but I really haven't seen any dollars yet that would say we've had a winner," said Rep. Charles Rangel (D-Manhattan), who holds out hope for the future.

But so far on Clinton's watch, the Pentagon plans to close three of New York's four major military installations, including the $300 million Staten Island Homeport and two upstate bases.

Sure, an independent commission picked the shutdowns but Homeport was vulnerable because Clinton's Pentagon put it on the hit list.

"The Bush Navy didn't put us on the hit list — the Clinton Navy did, so actually in this case New York City was better protected under a Republican administration," contends Rep. Susan Molinari (R-S.I.), whose family's ties to Bush probably helped Homeport.

Nor has Clinton proposed moving other federal facilities to

claims that things would get better under Clinton, Moynihan sighed: "The mayor has to say that — and I would say that if I were the mayor."

Since 1977, Moynihan has tracked the "Fisc" or net outflow of funds from New York to Uncle Sam. In 1992, the final year of Bush's presidency, New York lost $650 per person — but that was an improvement over the $838 per-person loss in 1991.

Now, former New York State budget director Dall Forsythe, who's now tracking the Fisc at Harvard's Kennedy School, predicts New York will do "a little worse" next year in net losses because the Clinton tax hikes will hit harder here.

Clinton claims his health plan will be a big boon for New York. But neither city nor state officials are ready to say that's so. In fact, local hospital officials

DEBORAH ORIN

INSIDE WASHINGTON

say the plan looks like a disaster for them because it takes no account of the city's special needs and sticks the city with covering care for illegal aliens.

Yes, there have been some small improvements under Clin-

OBER 7, 1993

THE PRESIDENT HAS SEEN 10/25

Mack –
Only problem /
Sec & where I decide
to go on short notice
Mr. Womack & can enjoy
also think ask [illegible]

THE WHITE HOUSE

WASHINGTON

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

THROUGH MACK McLARTY
WHITE HOUSE CHIEF OF STAFF

FROM DAVID WATKINS D. Watkins
ASSISTANT TO THE PRESIDENT AND DIRECTOR OF
MANAGEMENT AND ADMINISTRATION

SUBJECT Utilization of Camp David

Mr. President, I realize your schedule has been full, preventing visits to Camp David as often as you would like; however, until your schedule allows, this truly beautiful facility remains underutilized.

With this in mind, I propose that you extend Camp David visit privileges to the Vice President, designated senior staff, Cabinet members and accompanying immediate family members during periods when you are not personally visiting the Camp. This policy was practiced extensively during President Carter's administration and during the last nine months of the Bush administration. Extending the use of Camp David to key senior staff members of your administration would be an excellent way to reward them for their hard work and dedication. Additionally, this proposal has the added appeal of offsetting claims of underutilization when Presidential schedules hinder frequent use.

With your approval, we would work out the necessary details ensuring that visitors to the Retreat, as your personal guests, would be provided an extraordinarily enjoyable and relaxing visit.

Thank you.

Approve________ Disapprove________ Let's discuss________

Senior Staff/Cabinet Use of Camp David

Reservations - Recommend the Deputy Assistant to the President for Scheduling and Appointments be the gatekeeper. She knows the President's schedule and could avoid conflicts with Presidential use of Camp David. She has, or could be empowered with, the clout to enforce the reservation restrictions and prevent abuse. Recommend reservations be made a minimum of one week in advance, with Presidential use overriding any reservations. Names and arrival/departure dates/times need to be provided at time of reservation. Would need minimum 24 hour vacancy prior to Presidential visit for preparation.

Who Can Use? - Recommend use be limited to the Vice President, designated senior staff, and Cabinet members. Family members, i.e. spouses and children may use only when accompanying the principal.

How Many? - Recommend total number of visitors be limited to 12. This the capacity of Dogwood, Maple and Red Oak. This would increase guest privacy and comfort, inasmuch as these cabins are located away from heavily trafficked areas.

When/How Long? - Recommend 48 hour limit (weekends and weekdays...during periods other than Presidential use) with arrival times similar to hotel check-in, i.e. early afternoon on day one to early afternoon on day three.

Meals - Preset menus, all carefully prepared, quality 4-star meals. Any dietary restrictions should be made known at time of reservation. Breakfast offered ala-carte between 7:30 a.m. - 9:00 a.m., lunch 12 noon - 1:00 p.m., dinner 6:00 p.m. - 7:00 p.m. All meals to be served in Laurel. All meals, beverages and cabin beverages/snacks billed to staff/cabinet member through White House Staff Mess.

Recommended Don'ts - No smoking (current retreat policy, parallels White House policy). No cameras (ensures Presidential safety, security, privacy). No firearms or explosives, no pets (preserves small game population). Recommend no protectee detail (protection from existing Marine Security Company is more than adequate.) No alcoholic beverages served to minors under 21 years of age in accordance with Maryland state laws.

Camp Operations - Recommend business as usual. Allow such things as contractors, training, grounds maintenance, utility ops, physical training, etc. All on a not-to-interfere basis with guests. Will schedule any noisy ops in cabin area after 9:00 a.m.

Transportation - Guests using the Camp will provide their own transportation to and from the Camp location. The White House Garage cannot provide this service.

RECREATIONAL ACTIVITIES

The following recreational activities are available (in season) for the enjoyment of Camp guests. In addition to the activities listed below, baseball, football, volleyball, softball, fishing gear, swim suits, athletic clothes and shoes, and a limited amount of personal toiletries are also available.

Bicycles

Bicycles are provided at the various cabins for each guest. If you require adjustments to seats or handlebars, just call the Command Duty Officer.

Bowling

Two bowling lanes are located in Hickory Lodge, the Camp recreation building. Balls, shoes and socks are provided at the alley. For safety reasons, children under 16 must be supervised by adults. Bumper pads for the gutters are available for the enjoyment of children bowlers.

Fitness Center

A well-equipped fitness center, Wye Oak is available for guest use. At Wye Oak are the racquetball/wallyball court, weight and aerobic equipment, and sauna.

Gazebo

A gazebo with barbecue pit and restrooms is located near the tennis courts and is available for use April 15 - October 15.

Golf Carts

Depending on availability, a few electric golf carts may be available for guest use within the Camp. As a safety consideration, the operator should be at least 16 years of age.

Golf Driving Range

The golf driving range is located near the helicopter pad and has two tee locations. One tee is near the Camp David sign and has a 175-yard range. The second tee is located adjacent to the flag pole with a 250-yard range. You may obtain clubs or assistance from the Command Duty Office by dialing "0".

Hiking

Walking within Camp David is encouraged. There are also excellent nature trails in the Catoctin Mountain Park outside Camp David. The Appalachian Trail also comes within a few miles of the Catoctin Mountain Park. For safety reasons, guest should refrain from hiking on the perimeter road after dark.

Indoor Games

An assortment of indoor adult and children's games such as Trivial Pursuit, Chess, Checkers, Monopoly, Scrabble, Nintendo and puzzles are available through the Command Duty Office.

Library

Reference libraries with some fiction selections are located in Holly and Hickory.

Movies (video)

Video movies can be shown at Laurel and Holly upon request or delivered to your cabin for use with your VCR. A list of all available movies with synopses are provided in each cabin. All available movies are in the "Beta" format.

Playground

A well-equipped playground is located between Aspen and Laurel. Additionally, an outdoor badminton/volleyball court, horseshoes and croquet equipment are available in the wood cabinet at this location.

Pool Table/Ping Pong Table

Pool tables are located at Hickory and Holly. A ping pong table is available in Hickory.

Sleds/Toboggans

Sleds, toboggans and sliding discs are available upon request.

Souvenirs

Camp David souvenirs are available for purchase in the Shangri-La Lounge in Hickory. Credit cards (VISA/Mastercard) are welcomed.

Swimming Pool

The staff swimming pool is open for use from April 15 - October 15. During the summer months, a lifeguard is on duty from 12 noon to 8 P.M.

Tennis Courts

Two outdoor, all-weather surface, lighted tennis courts are available. Racquets and balls are provided at the courts. Only court shoes are allowed since street shoes and running shoes will damage the court surface. Court shoes are available from the Command Duty Office upon request.

THE PRESIDENT HAS SEEN 7/25

Irma

Desk

THE WHITE HOUSE

WASHINGTON

October ~~23~~ 22, 1993

MEMORANDUM TO MACK McLARTY

FROM: BILL BURTON

SUBJECT: Call from Sen. Chris Dodd

I took a call to you last night from Senator Chris Dodd of Connecticut. He had two issues (you do not need to return the call):

- He received your nice note and appreciates it regarding the boat race "Sail 2000." He would like to get a letter from the President in support of this project; I assured him we would shepherd it through.

- He simply wanted you to know that he wants his name "as high as possible" on the list of co-sponsors on the President's health-care bill, particularly in light of his "Connecticut colleague's" actions yesterday (Lieberman's appearance at the meeting on the "centrist" health bill).

xcc HRC / [illegible]

SENATOR JOHN BREAUX
LOUISIANA

POTUS
HRC
Ira
Maggie
Jeff E
Howard
Steve R
Desc

United States Senate
WASHINGTON, D. C. 20510

Mac -

Lets continue to work together - Neither plan can pass separately, but together we will ultimately achieve what I know will be real Health Care Reform -

I saw the White House Morning Report + I recognize + appreciate the tone + substance! Thanks

John

TAXATION, BUDGET AND ACCOUNTING

Health Care

SENS. BREAUX, DURENBERGER INTRODUCED SENATE VERSION OF MANAGED CARE BILL

Senate Finance Committee members John Breaux (D-La) and David Durenberger (R-Minn) introduced Oct. 21 the Senate version of a managed competition health reform bill that was introduced in the House in early October.

Joined in a news conference by Sens. Joseph Lieberman (D-Conn) and Sam Nunn (D-Ga), Breaux and Durenberger said this bill (as yet unnumbered) would serve as a bipartisan "middle ground" on which successful reform legislation would rest.

Generally, the plan is identical in its thrust with the bill (HR 3222) introduced Oct. 6 by Rep. Jim Cooper (D-Tenn) (193 DTR G-1, 10/7/93).

It would provide coverage through accountable health plans, which would be prohibited from excluding pre-existing conditions, and would be purchased by purchasing cooperatives, or directly by large companies.

Also, the proposal would provide subsidies to help lower income individuals purchase health insurance coverage, and would limit the employer's tax deductibility of coverage in order to promote cost control. The employee exclusion for employer-provided health benefits would remain unchanged under this plan.

Finally, it would expand resources to provide health services in underserved areas, and institute malpractice reforms, electronic claims processing, and administrative simplification.

According to Durenberger, this proposal would base reform on market forces only, not on government regulation, and as such, would attract widespread support among Democrats and Republicans.

Unlike the administration's plan, this approach would not guarantee universal coverage up front. Rather, Breaux said, it would seek to reform the system and after those reforms had been incorporated, assess the expansion of coverage.

Lieberman, who endorsed the proposal, said he would like to see it modified to include universal coverage, but stressed that this market-based approach to reform is the "best blueprint on the table" for achieving all the goals set forth by President Clinton.

The senators all emphasized that their proposal contained many of the same aspects as the administration's plan, and Breaux disputed an assertion that adopting anything less than the Clinton plan would be blow to the administration.

"This is a constructive effort to meet in the middle," he said. "We are offering this not in competition" with the administration but as a way of working with both the administration and the Republican task force as a way of passing comprehensive reform.□

Transfer Pricing

IRS SEEN MAINTAINING STATUS QUO ON JURISDICTION OVER APA PROGRAMS

Internal Revenue Commissioner Margaret Milner Richardson is unlikely to move the advance pricing agreement program from the Office of Associate Chief Counsel (International), according to practitioners interviewed by BNA.

Practitioners also said they do not expect the Service to make an announcement concerning the jurisdiction of the APA program, which Richardson has been considering relocating to the Office of the Assistant Commissioner (International).

IRS said that no decision about the jurisdiction of the APA program has been made.

Several lawyers said Robert Ackerman's continued leadership of the APA program is a clear indicator that no changes have been made in the management of the APA program. Conversely, Ackerman's departure—if it occurred—could be viewed as a sign that the APA program is about to be transferred to the jurisdiction of Assistant Commissioner (International) Regina Deanehan, they added. However, no indication exists that Ackerman intends to leave the Service, practitioners said.

Quick Decision Urged

The jurisdiction issue came to the forefront when the international taxation subgroup of the Commissioner's Advisory Group told Richardson at a Sept. 1 CAG meeting that she should decide quickly whether the APA program should remain under the Chief Counsel or move to the ACI's office. The group said prompt action was needed because taxpayers may not be participating in the APA program due to concerns about the program's future administration.

At the time, Richardson said she had hoped to make a decision in about a month. The Commissioner has been examining an internal IRS proposal to relocate the APA program to the ACI, sources outside the agency have said.

However, practitioners said there is no evidence to indicate that taxpayers are avoiding the APA program because of uncertainty over the program's future and, thus, no reason for Richardson to make a public statement on the jurisdiction matter, especially if the program remains under the Chief Counsel's jurisdiction. "If there is no cloud overhanging the program, there is no need to make an announcement," an attorney stated.

Furthermore, Richardson said at the September Commissioner's Advisory Group meeting that relocating the program, if that is the way IRS decided to go, would not impact the program (169 DTR G-11, 9/2/93).

0092-6884/93/$0+$1.00

Drawing the Line

Getting Families Off Welfare and Into Jobs Isn't as Easy as AFDC

But 'Workfare' Aims to Do It With Training and Limits On Duration of Payments

An Experiment in Cincinnati

By PAULETTE THOMAS
Staff Reporter of THE WALL STREET JOURNAL

CINCINNATI – After eight years on welfare, Paula Davis, a single mother of three, wasn't the world's most promising job candidate. But pushed by her caseworker, Ms. Davis is now working.

Her job? She answers phones and does filing for a Hamilton County welfare office here for $7.64 an hour.

The irony of a welfare mother landing a job in the welfare system itself escapes Ms. Davis, as well as several colleagues at nearby desks who are former welfare moms, too. But it points up a steep barrier to efforts to put welfare recipients to work–finding enough private-sector jobs.

The pressure to say "time's up" to the able-bodied who receive public assistance is about to increase as President Clinton prepares to follow through on a campaign pledge that helped candidate Clinton sell himself as a new kind of Democrat: "to end welfare as we know it." The centerpiece of the plan: putting a strict time limit on welfare benefits.

Two Years and Out

"We are committed to two years – and then out," says Bruce Reed, a senior White House adviser. It's unlikely that the final proposal would end benefits after two years, though. Instead, welfare parents would then be required to work for their checks.

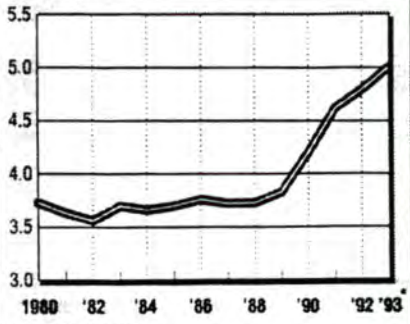
It would be the most radical plan for welfare reform any president has yet proposed. No state has gone so far as to impose a time limit on welfare benefits, though Florida, Vermont and Wisconsin have proposed variations on that idea. For the Clinton plan to succeed, congressional researchers say about 1.5 million new jobs would be needed, if all parents with children older than six who have been on welfare for two years or more must participate. Where would the jobs come from? "That," Mr. Reed concedes, "is the big question."

Clues to the future of the Clinton proposal are visible in state experiments, many of them spurred by the 1988 Family Support Act. The law created the Jobs and Basic Skills program, or JOBS, in which about $1 billion a year in federal money can be matched with state and local funds for training and job creation for welfare parents. The goal is to require work for as many as possible on welfare, or to provide the training to move them into private-sector jobs.

From Welfare to Welder

There are some success stories. In Wisconsin, welfare cases have fallen 17% since 1986 with the aid of a booming economy and ambitious JOBS training programs that also provide child care and

Welfare Explosion
Number of families receiving AFDC at the end of each year, in millions



*As of April 1993
Source: Congressional Budget Office

transportation. Margo Reeves, a mother of two and on welfare for eight years, earned her high-school-equivalency degree and enrolled in a welding class after mentioning to a caseworker that she had enjoyed shop class before dropping out of the 10th grade. "They paid for child care, they funded the class, they paid for the books," says Ms. Reeves, two months into her $14,400-a-year welding job, and off welfare.

But even in a program that is considered successful, success is uneven. Of the 13 welfare mothers who began in the welding class with Ms. Reeves, only two completed it. And only about 18% of Wisconsin's caseload is involved in training or mandatory work in exchange for benefits. The Center for Law and Social Policy in Washington estimates that 10% of welfare parents nationally are "participating" in JOBS programs – and three-fourths of those are in education and training programs.

One "workfare" experiment that has showed progress is an Ohio program that was credited with helping to cut welfare rolls in 28 participating counties by 11.3% in the late 1980s after putting 25% of welfare parents in jobs and training. The 11-year-old program continues as part of JOBS. But here in Hamilton County, even some of the success stories show the challenges of the work-for-welfare approach.

Bonnie Oaks, who lives in the poor Lower Price Hills section of Cincinnati, wanted nothing more than to get off welfare after 12 years. But her husband was disabled and her daughter had asthma,

Please Turn to Page A8, Column 2

Continued From First Page

and welfare covered her family's health care. The job she wanted, as a teacher's aide, included no health benefits. As Ms. Oaks recalls, a nurse told her she "was crazy to think about a job" because she would lose her health benefits.

She took the job anyway, determined to get off welfare. Now the education program that paid her salary is losing funding, and she fears that she and her daughter – her husband died in June – will have to go back to living on $279 a month from Aid to Families with Dependent Children. "You can't get free of it," she says. "Jobs are scarce."

If universal health care comes to pass, as President Clinton has proposed, then medical benefits will no longer be an incentive to stay on relief. But meanwhile, many welfare recipients are loath to give up health benefits and subsidies for food, child care, housing and transportation, in exchange for a low-paying job with no benefits. And most states–wary of punishing the needy – lack real enforcement power to make anyone participate who is unwilling.

Of Hamilton County's 23,000 welfare families, 14,100 are exempt from work or training under Ohio's rules because the parent has a child under age three or a disabled family member.

That leaves 8,900 eligible recipients, who each receive periodic letters ordering them to meet with their caseworker to devise a plan for getting off assistance–or face a reduction in their welfare payment to $274 a month from $334 for a household of three, the size of a typical welfare family. But about 600 of that group are considered "not job ready" because of substance-abuse problems or difficulties getting child care or transportation.

So only about 2,000 recipients fully participate in the work or training programs. The threat of smaller checks means little in the real world, says Linda Meyer, director of the Hamilton County JOBS program. The rules for assistance are so complex that when payments are reduced, some recipients assume that it is due to rule changes. In any case, they just reduce their modest living standards even more. If they live in public housing, their rent may fall commensurate with their welfare check. And they will probably still receive food stamps.

Ms. Meyer says she favors tougher rules to push long-term, able-bodied welfare recipients into action – something drastic, such as suspension of their payments if they don't attend classes. "The worst thing is to just put people on welfare and forget about them," she says.

What happens to the 2,000 who comply with the rules for participation? About half are tested and fall short of basic job skills; they wind up in education and training programs, many to receive high-school-equivalency diplomas. The rest go to part-time jobs or "job search" training programs.

In only about 100 of the county's 23,000 cases are people actually working more than 20 hours a week in exchange for their benefits. A persistent problem, and one that the Clinton plan will face, is finding private-sector jobs. "We are our own best employer," says Ms. Meyer. Her office employs Ms. Davis and five other former welfare mothers, and two others who work in exchange for their welfare benefits. As she scrounges for job leads, she grows impatient hearing business people who complain about welfare mothers. "I say, fine," she says. "So hire them."

Some who do land jobs through state programs probably could have gotten them on their own. Before she went on welfare, Faith Chatman of Cincinnati had attended the University of Texas for a few years and worked for a while in a department store. After three years on welfare as a single mother of a young son, Hamilton County began sending her letters saying she had to "participate" in the JOBS program; she was to start a job search, a training program or a work program. "I didn't want to do it," she says. "I heard they put you in jobs you don't want."

By her own account, she would visit the welfare office and tell the caseworker what she felt she was expected to say. Then she would go about her business until she was summoned again a few months later. She finally decided on her own to get off welfare, spent six months going to a library to research good-paying jobs and enrolled in the county-paid training program. After nearly five years on welfare, Ms. Chatman, 31, was trained as a dental assistant, and now earns $11 an hour as a dentist's office manager.

The national debate over welfare reform comes just as welfare rolls have exploded. During most of the 1980s, welfare cases grew at a rate of about 17,000 a year. But between 1989 and 1992, new cases soared 305,000 a year, and now stand at about five million families, up from 3.7 million in 1989. The surge caught federal budget-watchers off guard, even after accounting for the recession. Single mothers made up about half the increase, and about half of them were teenagers, according to the Congressional Budget Office.

Most welfare parents leave assistance within a year, and 72% within two years, according to one government study. But this conceals the large number of recipients who bounce between subsistence jobs and welfare over many years, never quite leaving the grasp of assistance programs entirely. Figures are sketchy, but studies in California and Washington state have found that about half of parents who escape welfare return within three to five years.

A big hurdle for the Clinton plan will be the opposition of labor unions, particularly public-employee unions, which in the past have blocked welfare parents from competing with union workers for jobs. That happened to a subsidy program that worked for Bernard Hacker, a 40-year-old Cincinnati grandfather. He supported his wife and two children with low-wage jobs until five years ago, when his teenage daughter had twins, born three months premature. The medical bills wiped the family out. For the next five years, the worst of his life, he bounced between temporary jobs and the AFDC office.

Then he got a job as a hospital clerk through a program that subsidized employers who hired welfare parents; he was allowed to keep state-provided health care and food stamps for a year, until his pay and benefits increased. "This was my one break," he says. But the chance won't be there for others. The state program can no longer subsidize "existing" jobs for welfare parents. Jobs must be "newly created," a stringent test given the weak economy. "Our concern is that regular public-sector workers not be displaced," said a spokeswoman for the American Federation of State, County and Municipal Employees.

The Clinton administration nevertheless argues that putting a two-year fuse on welfare benefits is possible, if other economic changes occur at the low end of the job chain. The recently enlarged earned-income tax credit, for example, will put as much as $3,370 in the hands of working families with children earning between $11,000 and $27,000. Universal health care, if approved by Congress, would dislodge another huge inducement to stay on assistance, where at least health care is now guaranteed. Recently toughened child-support enforcement, including rules to establish paternity at birth, would also raise the odds that fathers would become financially responsible for their children.

If all that happens, the administration contends, it won't be necessary to create as many make-work jobs.

But some argue that the best solution is to help welfare parents find a private-sector job on their own. Numerous state and county studies have found that for every dollar invested, job-search programs are among the most effective in increasing earnings for welfare parents.

That has been true in Hamilton County. About 500 welfare parents in the JOBS program are going through rigorous, mandatory classes at the welfare office called "Job Club" to learn how to conduct job searches. In one class of 40 participants, a counselor reels off a list of job openings, and which bus lines to take to get to them. The class is repeatedly told that poor-paying jobs lead to better work. "There's only one way to go: up," advises the counselor.

Down the hall, another group has met for four hours daily for 10 days. Their numbers have dwindled to 15 from 37, but 11 are absent because they found jobs. With energy, they practice mock interviews, looking each other in the eye over a desk, rehearsing their responses to interview questions, and try to find the words to turn their shortcomings into job assets. "I try to please people too much," says one soft-spoken young woman, asked by her "interviewer" of her worst fault. "Great answer!" her colleagues shout.

Ms. Meyer, head of the county's JOBS program, says 77% of the class participants get jobs within 60 days. "The trick," she says, "is to get them here."

2/2

THE PRESIDENT HAS SEEN

Rasco

THE PRESIDENT HAS SEEN 10/25

Alexis | Joan B

Tanya Reception
wonderful. Names
should be invited to
WHouse sometime —
not all have to come
to dinner but something
several have already
been here, including
to dinner —

B.

To: Nancy Hernreich

From: Linda Moore

Josh King said that the President wanted a draft of the Tampa reception list tonight. Unfortunately, the list that was given to Josh and that Josh gave to someone (I thought, most likely, to you) was missing a page.

Here is the entire draft. Please let me know if we need to add anyone. We should have the final list ready around noon tomorrow.

Thanks.

Goal: Security
How: Keep what works
Fix what's problem

What you got you can keep
criticism, get more
think what take away

What works —
Keep: Qual
Choice
fee

What's problem —
Solvency
Savings
Reform

THE PRESIDENT HAS SEEN 10/25

TAMPA, FLORIDA PRESIDENTIAL VISIT
LIST OF PEOPLE INVITED TO RECEPTION
As of 9/22/93 6:00 pm

NAME	DESCRIPTION:
Adler, Michael:	Description
Apthorp, Jim:	Early Clinton supporter; fundraiser
Aulisio, Lorraine:	Dennis Ross, Jim Walter Corporation; fundraiser
Austin, Marcia:	Volunteer Coordinator for the Clinton/Gore Campaign
Barakat, Russ:	Broward County Commissioner; Chairman, Broward County Democrats
Barnes, Eloise:	works with the Sheriff's office
Batchelor, Dick:	President DBMG, Public Relations Firm; Early Clinton/Gore supporter; Democratic fundraiser
Berger, Mitchell:	Attorney, close friend of Vice President, Co-Chair of April Vice Presidential Dinner in Miami; DNC Trustee
Berlin, Jerry:	President, Deux Michel, Signature Gardens (large hospitality and event planning firm); Co-Chair, April Vice Presidential Dinner in Miami
Bierley, Jack:	early Clinton/Gore fundraiser; attorney
Blews, Bill:	President of Florida Bar Association
Bolanos, George:	Description
Bowers, Wallace	Realtor, Democratic fundraiser
Brady, Terrie:	State Chair, Florida Democratic; Florida Teachers Association
Brown, Baird:	Hillsborough Volunteer Coordinator
Buckhorn, Bob:	Mayor Sandy Freedman's Chief of Staff

Cejas, Paul:	Cuban American; DNC Trustee
Chapman, Joe:	President, Royal American Management; early Clinton/Gore supporter
Chiles, Bud:	Son of Governor Chiles; DNC fundraiser
Chiles, Governor Lawton:	Governor of Florida
Cofrin, Gladys:	Description
Cohen, Vanessa and Ron:	Early Clinton/Gore supporters and volunteers
Cole, Lynn:	Tampa Democratic activist
Collins, Jerry:	Description
Cosgrove, John:	Miami State Representative; has been extremely helpful with the Health Care Campaign
Courshon, Arthur:	DNC Trustee
Crawford, Bob:	Agriculture Commissioner
Crews, Meril:	Media Team Spokesman for the Health Care Campaign, very helpful
Crist, Charlie:	State Senator from Tampa
Daly, Tom:	President, Ben Franklin Properties; Friend of Governor Buddy MacKay
Davis, Jim:	State Representative from Tampa district
Dressler, Edde and Bob:	Tampa fundraisers
Dunn, John:	Press Secretary for Mayor Freedman
Evans, Hazel Talley:	Fundraiser/Democratic Activist; with State Representative Peter Wallace
Fanjul, Alfonso:	President, FLSUN; Cuban American; DNC Trustee; democratic fundraiser
Ferro, Simon:	Attorney; Clinton/Gore State Co-Chair; Former State Party Chair

Foreman, Austin:	Description
Freedman, Sandy and Michael:	Mayor, City of Tampa and husband of mayor
Friedkin, Monte:	President, Friedkin Industries; long time Democratic supporter; DNC Trustee; daughter, Dawn, works in the White House
Friedman, Arnold:	DNC Trustee; underwrote entire Labor Day Miami trip for the President (11,000+)
Frost, Phil:	President, Ivax Corporation (pharmaceutical), close friend of the Vice President
Gentry, Larry:	Florida Democratic Party Trustee; Orlando, Florida chiropractors
Gerald, Lewis:	Florida State Comptroller
Gibbons, Mark:	US Congressman, needs four tickets
Gibbons, Tim and wife:	son and daughter-in-law of Congressman Gibbons
Glicken, Howard:	President, Jillian's Entertainment, Commonwealth Group; DNC Trustee
Gonzalez, Mary:	Hillsborough Classroom Teachers
Graber, Ben:	Miami State Representative; helpful with the Health Care Campaign
Grisham, Duane:	Cousin of President Bill Clinton
Gross, Ray:	Fundraiser, Clearwater
Hanna, Randy:	early Clinton fundraiser and supporter
Harris, Julie:	Florida Democratic Party State Committeewoman (Hillsborough)
Hightower, Mike:	Vice President of Government Affairs, Blue Cross/Blue Shield; Clinton/Gore fundraiser
Hobby, Clyde:	Attorney; Clinton/Gore fundraiser, Florida Democratic Trustee
Hogston, Garry:	FOB; Name per Josh King
Hyatt, Kenneth:	President Jim Walter Corp.
Johnsey, Walter:	Celotex Corp, name per Dennis Ross

Johnson, Bo:	Speaker of State House of Representative
Johnson, Bill:	Florida Progress Corporation
Jordan, Blondie:	President of AFSCME
Joyner, Arthenia:	Attorney; Clinton/Gore state Co-Chair; African American activist
King, Frank:	Broker, Merrel Lynch; Democratic fundraiser
King, Kay:	Executive Director for the Teachers Union in Florida
Knowles, Steve:	Democratic Chairman for Pinellas County
Koch, Karl:	Political Liaison to the DNC for Florida; Clinton/Gore Political Director during campaign; former staffer for Lt. Gov. MacKay
Koch, Ky:	Member of Florida Bar & Board of Governor's; Attorney in Tampa
Kramer, Tom:	Description
Lamela, Louis:	Description
Lang, William:	Celotex Corp, name per Dennis Ross
Limberopoulos, Chris:	Florida Democratic Party Trustee; Tampa area democratic fundraiser
Lumpkin, Barbara:	President, Florida Nurses Association
Lunskis, Tim:	Political Consultant; early supporter and grass roots organizer
Lynn, Lynda:	Democratic fundraiser in Tampa
Machado, Dr. Richard:	description
Mack, Monroe:	Pharmacist, Democratic activist, African American
MacKay, Buddy:	Lt. Governor of Florida
Madden, Don:	Description
MaRae, Maxine:	Secretary to Dennis Ross, Jim Walter Corporation
Marvin, Lynn:	Hillsborough County Democratic Chair

McBride, Bill:	Senior Partner, Holland & Knight; DNC Trustee
Melgen, Salomon:	Vitreo-Retinal Consultants
Muller, Elio:	Clinton/Gore Florida Hispanic Chair: Attorney
Nichols, Katie:	Former member of Public Service Commission; St. Pete fundraiser
Oppenheim, Sonny:	Political Assistant to Mayor Freedman
Perez, Jorge:	Hispanic leader; DNC Trustee; early Clinton/Gore supporter; fundraiser
Prosperi, Paul:	Attorney; Georgetown classmate and personal friend of President Clinton; DNC Trustee & Democratic fundraiser; FOB
Pugh, Jim:	Developer; Clinton/Gore fundraiser
Richard, Robert James and Edel Mitchell	Mother and Father of Staff Secretary
Rosen, Marvin:	Attorney; Florida Clinton/Gore Finance Chair: Co-Chair of April Vice Presidential Dinner
Ross, Denns:	DNC Trustee; Early Clinton Supporter
Russell, Lynda:	Executive Director, State Democratic Party
Sabin, John:	Florida Democratic Party State Committeeman (Pinellas county)
Salcines, E.J.:	Tampa Hispanic leader
Sanchez, Carmen:	Clinton/Gore Volunteer Coordinator for Tampa office; Affiliated with Teachers Union
Saunders, Bob and Helen:	Former NAACP Regional Representative, Civil Rights
Sheldon, George:	Lobbyist with Sheldon & Cusick and Tallahassee attorney; early Clinton/Gore supporter
Shimberg, Jim:	Investor; Clinton/Gore fundraiser
Silverberg, Jane:	Owner, Silverberg Jewelry; St. Pete fundraiser
Smith, Myrtle:	Florida Democratic Party State Committeewoman (Pinellas)

Smith, Garry:	President L. Garry Smith & Associates, Lobbying; attorney; early Clinton fundraiser/supporter
Spector, Steven:	Volunteer; early Clinton supporter; Law student
Stack, Bud:	Partner, High Stack, Lazenby Law; Clinton/Gore Florida fundraising chair
Stack, Bud:	Florida trial Attorney; DNC Trustee
Stein, Jay:	President and CEO of Stein Mart, department store; DNC Trustee; long time friend of Vice President Al Gore
Thayer, Stella:	Attorney in Tampa; Democratic fundraiser
Thomas, Pat:	State Senate Democratic Leader; President-elect of the Senate as of October 12
Todd, Barbara:	President of NACO
Torano, Maria Elena:	DNC Trustee
Turley, Stu:	CEO and President, Jack Eckerd Corporation (Retail Pharmaceutical); endorsed the Health Care Reform
Tuthill, Doug:	Pinellas Classroom Teachers
Wallace, Peter:	Speaker-elect for the Florida House of Representatives
Walter, Jimmy:	Jim Walter Corp. (home builders/developers)
Weatherford, Roy:	State Committeeman from Hillsborough County
Westbrook, Hugh:	Vitas Health Care
White, Gerald:	Clinton Delegate at National Convention; Volunteer coordinator during the campaign
Wilson, Terry:	Hillsborough Teachers Association
Wyss, Tom:	Description
Yangco, Bienvenidos:	Medical Doctor, helpful with Health Care Campaign; he has been advising on Health reform

[redacted]

THE WHITE HOUSE
WASHINGTON

10-25-93

talked w/ Bill Crowe:

(1) Som

present course w/ Oakley right
very active good - spec ops folks
doing things alone, unwise, things
they shouldn't -

(2) TV, starting to show results
positive pictures - clear show of
success of feeding program.

[redacted]

(3) Haiti

Don't go in - keep pressure on -
can't change country

[redacted]

[illegible]

[illegible]

[illegible]

[redacted]

[illegible]

[illegible]

[illegible]

THE PRESIDENT HAS SEEN

10

The New York Times
NEW YORK, MONDAY, OCTOBER 25, 1993

Bombing Causes Delay in British-Irish Talks

Special to The New York Times

BELFAST, Northern Ireland, Oct. 24 — A day after 10 people were killed here by an Irish Republican Army bomb, the British and Irish Governments today postponed a meeting they had planned to hold on Wednesday in Belfast to discuss peace prospects for Northern Ireland.

Among those killed in the blast in a Protestant shopping area were two young girls and a guerrilla of the I.R.A. itself, an overwhelmingly Roman Catholic movement that is campaigning to end British rule of Northern Ireland.

Government officials indicated that they were delaying the talks to show respect for the victims and stopped short of saying that the peace initiative was dead. But the Irish Foreign Minister, Dick Spring, said the bomb attack, one of the most lethal in years, had dealt "a grievous blow" to the peace effort.

The initiative, advanced a month ago by the two most influential Catholic leaders in this British province, called for an end to I.R.A. attacks in exchange for allowing the group a voice in peace talks through Sinn Fein, the I.R.A.'s political wing.

Prime Minister John Major of Britain and Prime Minister Albert Reynolds of Ireland are still expected to meet on Friday in Brussels.

Plot by Baghdad to Assassinate Bush Is Questioned

By TIM WEINER
Special to The New York Times

WASHINGTON, Oct. 24 — The evidence of an Iraqi assassination plot against George Bush, the basis for a United States missile attack in June on the intelligence headquarters in Baghdad, was significantly weaker than the Clinton Administration asserted, a new article says.

The article, written by Seymour M. Hersh and published in The New Yorker this week, says no evidence directly linked President Saddam Hussein of Iraq, his intelligence service or his senior advisers to an assassination attempt on the former President.

President Clinton ordered the June 26 attack a day after receiving a Federal Bureau of Investigation report that concluded that Iraqi intelligence agents had smuggled a car bomb into Kuwait and planned to kill Mr. Bush during a visit in April.

Shortly after the attack, Mr. Clinton said he had been presented with "compelling evidence that there was in fact a plot to assassinate former President Bush" by Iraqi intelligence as "revenge by a tyrant" against the leader of the coalition that defeated Iraq in the gulf war in 1991.

"The American Government's case against Iraq — as it has been outlined in public, anyway — is seriously flawed," Mr. Hersh writes. The evidence was "too weak to be conclusive" but, in the Administration's view, "perhaps not weak enough to be dismissed," he says.

The White House and officials of the National Security Council had no comment on the article, said Lorraine Voles, a deputy White House press secretary. Efforts to reach F.B.I. officials were unsuccessful.

The Administration based its case largely on a comparison of the remote-controlled firing device found in the car bomb with similar devices known to have been made in Iraq. But seven experts in electric engineering and explosives who saw photographs of the device found in Kuwait and of a known Iraqi device told Mr. Hersh that both were generic equipment without unique characteristics.

Fourteen Iraqis and Kuwaitis have been charged by Kuwait in the case. Mr. Hersh depicts the main defendants as bumbling smugglers of alcohol and firearms who took no coherent steps toward detonating a bomb or carrying out an assassination.

The F.B.I. cited confessions by several defendants and concluded that none had been tortured by Kuwaiti officials. But several defendants disavowed the confessions and said they had been beaten severely by Kuwaiti officials before pleading guilty, according to trial testimony cited in the New Yorker article. The trial is continuing.

THE PRESIDENT HAS SEEN 10/25

Tony

anything I should

know about this?

B

The New York Times
NEW YORK, MONDAY, OCTOBER 25, 1993

THE PRESIDENT HAS SEEN 10/25

Essay

WILLIAM SAFIRE

Sleazy Senate Inquiry

WASHINGTON

In a cynical attempt to make Bob Packwood a scapegoat for generations of Congressional sexism, the Senate Ethics Committee put Americans on notice: no private diary is safe from government investigators.

Ironically, the recently established constitutional right to privacy, which forms the basis for all the pro-choice law in this country, is being undermined by panicky senators determined to punish one of their own for boorish behavior in a previous era.

Do you keep a diary? More of us should: it not only lets us blow off steam and articulate private thoughts that would be impolitic or libelous if said out loud, but also preserves memories and reveals our youthful selves to our aging selves. Unlike a letter, it is intended to be totally private, written on our own time and in our personal space, for each diarist to keep or destroy.

In the case of a public figure, a diary is a godsend to historians. Samuel Pepys, the English naval functionary who kept a detailed diary three centuries ago, gave us an invaluable glimpse into the social conditions of his time.

Oregon's Bob Packwood is a Pepysian diarist. In the 25 years I've been his friend, this principled moderate has kept voluminous notes on life as a lightning rod.

He recorded his crusade to keep the legality of abortion from being eroded in the Senate, which made him public enemy No. 1 of anti-abortion forces. His fight to make the tax code simple and fair, culminating in the sweeping 1986 reform, infuriated the loophole legion of accountants and tax lawyers. His leadership of Republican support of Israel made him a pariah in the Bush White House.

And, as diarists from Pepys to Packwood do, he included the insiders' gossip of his time. He expressed the anguish of his failing marriage and his endangered eyesight, and may have noted when his friends told him he was drinking too much beer.

Now he is facing charges instigated by longtime political foes and driven by senators eager to placate feminists after the interrogation of Anita Hill. They say he made passes at an average of one woman a year for 20 years — not slyly demanding affection for advancement, but clumsily grabbing and kissing them.

He is not accused of threatening to block careers, the essence of what we now prohibit as sexual harassment; on the contrary, Packwood hired and advanced qualified women when equal opportunity was denied elsewhere in the male-dominated Senate.

The scapegoaters are applying today's standards of behavior — deservedly much higher than tolerated a generation ago — to accusations of yesteryear's crude office gropings. That's ex post facto morality, which is neither ethical nor fair.

But this ethics investigation is not about accusations of one Senator's past boorishness. It's about satisfying the need for vengeance in the minds of so many women workers who have had to endure the demeaning domination of lecherous bosses. Packwood has been chosen to be harassment's celebrity villain. To some nervous colleagues, his ruination has become the ticket to forgiveness for all Congressional sexist sins.

That's why Pepysing Toms demand the Packwood diaries; it has been "determined that the documents in their entirety may be relevant and probative." If Senate staffers or hearing examiners rummage

Should snoopers be able to read your diary?

through his diary, they'll find personal ruminations and titillating tidbits to embarrass the man for years.

That's the scapegoat idea: load all our sins onto Packwood and drive him out to Azazel, the demon in the desert. In its zeal to get right with the gender avengers, the committee has voted to rape the right to privacy, which — under the penumbra of the Constitution, as pro-choicers say — should be important to both sexes.

Only when a crime has been charged can prosecutors make a case for examining personal records. However, no criminal indictments are remotely contemplated in this case; "sexual harassment" law doesn't go back that far. Even so, the fishing committee has subpoenaed Packwood's lifetime of diaries, insisting "there is no constitutional privacy right" to personal papers — as the A.C.L.U. sleeps.

What hypocrisy. Feminists, who looked to Packwood for privacy protection when they were using him, now undermine everyone's civil liberty in abusing him.

And so to bed. □

THE PRESIDENT HAS SEEN 10/25

G —
pretty persuasive
R

THE PRESIDENT HAS SEEN 10/25

LAW OFFICES

SIEGFRIED, KIPNIS, RIVERA, LERNER & DE LA TORRE, P.A.

SUITE 1102
201 ALHAMBRA CIRCLE
CORAL GABLES, FLORIDA 33134
DADE (305) 442-3334
BROWARD (305) 761-1134
FAX (305) 443-3292

BOCA RATON OFFICE
SANCTUARY CENTRE
4800 NORTH FEDERAL HIGHWAY
SUITE 301-A
BOCA RATON, FLORIDA 33431
(407) 395-0200

MARIA VICTORIA ARIAS
HELIO DE LA TORRE
PETER H. EDWARDS
JAMES F. HARRINGTON
ALAN G. KIPNIS
ELISABETH D. KOZLOW
LISA A. LERNER
H. HUGH McCONNELL
SAMUEL A. PERRAUD
OSCAR R. RIVERA
STEVEN M. SIEGFRIED

OF COUNSEL
KERRY A. GREENWALD
BOCA RATON, FLORIDA (407) 395-0200

HENRY PAUL JOHNSON
NAPLES, FLORIDA (813) 591-0133

FILE NO.
REPLY TO:

Tony
Reis important
to Maria - what
the deal?
B

FAX TRANSMITTAL SHEET

TO: PRESIDENT BILL CLINTON
FAX #: 1-202-456-6703
PHONE #: 1-202-456-6610

FROM: MARIA VICTORIA ARIAS RODHAM
FAX #: (305) 443-3292
PHONE #: (305) 442-3334
FILE #:

RE: SEE ATTACHED LETTER FROM JORGE BOLANOS

DATE: October 21, 1993
TIME: 5:28 pm
NUMBER OF PAGES TO FOLLOW: 3

MESSAGE: I was advised by Jorge Bolanos that the attached letter was faxed and mailed to Joe Velazquez. I thought that you should read this.

As Jorge's letter indicates, Rafael Diaz Balart is Lincoln Diaz Balart's father. He has been quite helpful to us lately.

I have heard from various individuals that Feinberg has "his own agenda".

October 15, 1993

Mr. Joe Velazquez
Deputy Director White House
Political Affairs
1600 Pennsylvania Ave. N. W.
Washington, D. C. 20500

Dear Joe:

I am enclosing a tape of an Spanish talk show named "Sobremesa" broadcasted by Radio Mambi this afternoon in Miami. "Sobremesa" is one of the highest rated Spanish talk show in Miami and it is hosted by Mr. Rafael Diaz Balart, a well-liked and respected local attorney who was the last Speaker of Congress in Cuba and the father and political tutor of Congressman Lincoln Diaz Balart.

In his broadcast Mr. Diaz Balart stated that Mr. Richard Feinberg, our national security advisor for Latin America, was advising members of the Executive branch of various Latin American Countries and specifically mentioned Mr. Vitela, Foreign Minister of Argentina to put pressure on our administration to lift the Cuban Embargo.

Is this true?

If these statements would have come from any of the other Cuban talk show, I would have never paid any attention, but Mr. Diaz Balart has a very high credibility in our community. And, therefore, I believe we must immediately respond especially since I hope we can flatly deny them.

I had a very cordial meeting with Mr. Feinberg last May 20th. I left with the impression that regardless of Mr. Feinberg's Fpersonal views, which he could and should present and debate with our President, he was a professional who would clearly implement the President's policies.

We have gained a lot in our community because of our President's support of the "Cuban Democracy Act" and of Radio and TV Marti. This week's Mason/Dixon's poll showed that the Cuban American Community is clearly supporting both, our health care initiative and the Nafta agreement (in spite of the position being assumed by the local Republican Congressman).

You may want to contact Maria Arias and Simon Ferro to assist in planning an effective response. Please feel free to call me at my office (305)-326-0065 or home (305) 661-8783 if I can be of any further assistance to you.

Adelante Con Clinton

Jorge L. Bolanos

FACSIMILE TRANSMITTAL COVER SHEET

TO: : Maria Arias

COMPANY :

FAX No. : 443- 3292

FROM : Jorge L. Balaunt

COMPANY : Bafuria Corp

ADDRESS : 1361 N.W. 4st. Street, Building B

Miami, Florida 33125

PHONE No. : (305) 326-0065

FAX No. : (305) 326-0527

DATE : 10/21/1993 TIME : 3 : 10 A.M./P.M.

No. OF PAGES: 3 (INCLUDING COVER SHEET)

COMMENTS :

CONFIDENTIALITY NOTE:

THE WHITE HOUSE
WASHINGTON

DATE: 10/25

NOTE FOR: Leon/George

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

Information ☑

Action ☐

P made some notes on these; I thought you would like to see

Thank you.

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

cc: ~~Leon Panetta~~

THE WHITE HOUSE

WASHINGTON

October 24, 1993

MR. PRESIDENT:

Attached is a package of three information memos from Leon Panetta on FY 95 budget problems.

The first focusses on the Department of Commerce as an illustration of the difficulty agencies will have in meeting your investment priorities within the FY 95 budget caps. Commerce is seeking $800 million over 1994 budget levels to fund four investment priorities.

The second memo discusses VA's budget request for FY 95 -- an increase of $2 billion in outlays and over 13,000 FTEs, which the VA claims are needed to prepare for national health care reform. The memo concludes that VA's requests are not justified, given our overall budget situation.

The third memo warns against making public commitments to full funding of the authorizations included in the Biden Crime Bill, given the tight squeeze facing the DOJ budget.

I have circulated this memo to relevant senior staff.

TDS

Todd Stern

THE PRESIDENT HAS SEEN

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

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Preview of the FY95 Budget Problems

As we approach decisions on the FY95 budget, I just want to remind you of the extraordinary difficulty of the decisions you will be facing as you try to produce a budget that funds your most important priorities and also meets the discretionary spending caps for FY95 and beyond.

- If we were to fund all the FY95 investments identified in our original economic plan (and to keep Defense spending on the agreed track), we would have to cut all other discretionary spending by 10 percent from the 1994 level. Moreover, some current Administration priorities (e.g., spending associated with the Crime Bill) were not even in our original economic plan.

- Many non-investment programs have strong political support, but we have to recognize that they cannot all be funded at levels we expected a year ago. If we funded non-investment discretionary spending at the level we anticipated for FY 1995 in the original economic plan, investments would have to be cut by 78 percent to bring the budget under the caps!

In the next few weeks, many Cabinet Secretaries will urge you to commit to more spending for their programs. Please remember that more spending for one program or department means less spending for others. I attach three memoranda that illustrate the problems:

- Funding problems at Commerce Department--we chose Commerce just as an illustration of a relatively small department charged with several of your most important priorities, which has on-going responsibilities that would be tough to cut back.

- Secretary Jesse Brown's request for increases in veterans spending;

- paying for the Crime Bill;

The only purpose of this package is to get you thinking--and to urge you to be extremely cautious about making any promises until you have reviewed all of the claims.

Attachments

cc: R. Rubin
D. Gergen
G. Stephanopoulos

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

THE DIRECTOR

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon Panetta
Director

SUBJECT: Presidential Investments and Agency Ceiling

The Department of Commerce (DOC) illustrates the difficulty many agencies will face in funding Presidential investments within a declining base. Commerce is a relatively small agency ($3.68 billion), but funds four of your central investments. These include research, technology, and manufacturing; defense conversion; the information infrastructure; and weather service modernization. The 1995 ceiling of $3.4 billion is almost $200 million below the 1994 conference level of $3.6 billion.

Secretary Brown argues that the planning ceiling would make it impossible to fund the investments already proposed, much less to consider new initiatives. He has submitted a request for $4.5 billion, more than $1 billion over the ceiling. Despite the fiscal restraints upon which the planning ceilings were based, Commerce intends that the Administration make the hard choices needed to shift resources among agencies within the discretionary caps to meet Presidential priorities. DOC also argues that many of its non investment programs are nonetheless essential governmental functions. These include Census activities, promotion of international trade, and environmental stewardship and assessment.

Unlike agencies with a significant portion of their budgets directed toward grant programs or other low priority programs, DOC has relatively little flexibility to shift between grants and non grant priorities. While DOC has its share of Congressional earmarks, they are more in the magnitude of $100 million than the $500 to $1 billion needed to fund your investment priorities and other essential functions.

TABLE 1. Department of Commerce Funding
(dollars in billions)

	FY 1993 Enacted	FY 1994 Request	FY 1994 Confrnc	FY 1995 Est. in Pres '94 Budget	FY 1995 Ceiling	FY 1995 Request	% Change from Planning Ceiling
Budget Authority	3.2	3.5	3.6	3.9	3.4	4.5	32%
Outlays	3.0	3.2	3.1	3.6	3.4	3.8	12%
FTE	35,996	35,451	---	---	---	37,079	

Note: The total DoC request includes $224 million in proposed reductions and fees ($171 million in discretionary fees).

PRESIDENTIAL INVESTMENTS

The Department of Commerce is pursuing long-term investment initiatives for sustaining new economic growth through infrastructure development and private sector job creation. Investments proposed for funding in the FY 1994 Budget include civilian technology; defense conversion; weather service modernization and global change research; and information infrastructure. Table 2 summarizes funding for these investment proposals.

TABLE 2. President's Investment Proposals -- Total Program Level
(budget authority in millions)

	FY 1994 Request	FY 1994 Conference	FY 1995 Est. in Pres '94 Budget	FY 1995 Ceiling	FY 1995 Request	FY 1995 Increase over Ceiling
National Institute of Standards and Technology						
o Research, Technology, and Manufacturing	535	520	938	735	1,001	+266
Economic Development Administration						
o Defense Conversion	33	33	55	33	206	+173
National Telecommunications and Information Administration						
o Information Highways	54	26	150	60	150	+90
National Oceanic and Atmospheric Administration						
o Weather Mod/FCCSET	756	655	684	674	719	+45

Note: FY 1994 funding for NOAA investments should be adjusted from $655M to $714M to reflect agreement between the Administration and Congress to fund $59M of the proposed investments from an existing Contingency Fund for satellites.

With the exception of the information highway grants, the FY 1994 Conference levels provide sufficient funds to carry out your investments for FY 1994.

COMMERCE'S 1995 STRATEGY

The 1995 request includes net increases of $800 million over 1994 for your investment priorities and an additional $300 million to retain momentum in other key governmental functions.

National Institute of Standards and Technology (NIST)

Secretary Brown's highest priority is to build NIST into the lead civilian technology agency. You have indicated that investments in NIST are a critical part of your strategy to create high-wage jobs, strengthen America's technological leadership, and increase our long run productivity and standard of living. To accomplish this, major increases totalling $481 million are needed in three critical components of the NIST investment: (1) the Advanced Technology Program, which provides matching funds to industry to pursue high risk return technology projects; (2) the Manufacturing Extension Partnership, which helps America's 300,000 small and medium-sized manufacturers to modernize; and (3) NIST laboratories, which provide critical technical support to industry in areas such as high-performance computing, advanced manufacturing, and electronics.

Given its mission, Commerce believes that it is appropriate to look for tradeoffs in other areas, such as the reductions in Defense R&D and from the Department of Energy labs and programs.

Defense Conversion

Commerce has identified the difficulty of effective defense conversion as a significant problem. Given the slow growth in the economy and disproportionate regional impacts (e.g., California), the Secretary proposes a more aggressive program than was anticipated in 1994. An increase of approximately $150 million would be directed to especially impacted areas to promote more rapid transition to a civilian economy. Such a strategy should result in a cost avoidance in areas such as unemployment compensation and worker retraining. It can be argued that resources should be shifted from Defense to permit growth in this high priority activity.

National Oceanic and Atmospheric Administration (NOAA)

NOAA is responsible for providing, among other services, critically needed weather warnings and forecasts. It has embarked on a long-term modernization program, now coming to fruition. This includes investments in highly sophisticated radars and information processing systems, satellites, facilities, and oceanographic vessels. These systems also are integral to the environmental stewardship, prediction and assessment responsibilities of the government. Further, NOAA is responsible for rebuilding U.S. fisheries, protecting threatened species, and maintaining healthy coastal ecosystems. Overall, an increase of $160 million over 1994 is proposed for NOAA.

National Telecommunications and Information Agency (NTIA) Information Infrastructure Grants.

Information highways is a new and emerging area with significant potential for growth. As applications become widespread, highly paid jobs will be created, and productivity improvements will be stimulated across a broad spectrum of industry. The initiative also creates a strong potential for export growth. Commerce has proposed a major investment to demonstrate innovative applications and provide a base for universal deployment. An increase of $125 million is proposed to demonstrate a diverse set of uses. These activities build off the research that has been undertaken by NIST, NSF and DOD.

OTHER CRITICAL NON-INVESTMENT PROGRAMS

If one were to look at all of the critical missions of the Department, it becomes apparent that an investment increase off $800 million would have to come at the expense of base programs, and other critically needed increases. Among the essential non-investment increases are testing the decennial census, protecting fisheries and threatened marine species, coastal ecosystems health, NOAA fleet modernization, and export promotion. For example, a failure to protect our fisheries will result in a permanent loss of jobs.

CHOICES

In order to make judgments about the DOC requests for spending above the ceiling, my staff is preparing crosscutting comparisons of three sorts, in consultation with White House and agency staffs:

Within Commerce we will consider how selected key investments might be preserved by cutting deeper into base investments in, for example, the Census Bureau or the wet side of NOAA.

Among Similar Programs Across Departments: (See Table 3) Within a crosscutting investment theme, such as "R&D and Technology," we will consider whether the Secretary's request for NIST should be funded by transfering resources from the DOE labs or from ARPA. Within the theme of "Export Promotion," we will ask about the importance of promoting agriculture exports through USDA versus working with state governments and mid-size firms through the International Trade Administration in Commerce.

Across Investment Themes: We will also have to set priorities across the broad themes. We will consider, with the NEC, whether the DOC appeal for "R&D and Technology" in NIST should be funded by doing less in some other investment category, such as "Investing in Children" or "Crime and Drugs." These will be the most difficult choices of all, but if we do not frame them for debate, the choices will be implicit in the final budget anyway.

OMB will make preliminary judgments on these matters, after much informal consultation. We will be presenting an appropriate, critical subset of the choices, to your senior advisors and to Cabinet officers through the NEC/DPC process, and ultimately to you, together with my recommendations.

OK

Very concerned

Extremely concerned

Shifting fr DOE R&D

Def. conversion

Reinvention NOT

working where they can

TABLE 3. Commerce Portion of Total Funding
(dollars in millions)

FY 1995 Program	1994 Commerce Portion	1994 Other Federal Agencies	Agencies Included	DoC Request
Export Promotion	$325	$4,135	USDA, EXIM Bank, SBA	$365
Civilian Technology	1,286	33,800	NSF, NASA, DoE, HHS	$1,398
Environmental	2,394	20,200	USDA, EPA, HHS, DoI	$2,528

Notes: 1994 Commerce President's Budget and 1995 Commerce Request amounts include reimbursable funding.

Source of 1994 Other Federal Agencies:
Export Promotion -- OMB crosscut
Civilian Technology -- speech by the Director of NIST
Environment -- NOAA Comptroller's Office

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

THE DIRECTOR

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon Panetta

SUBJECT: Veterans Health Care Policies and Conflicts with Other Administration Goals

Summary Overview

The Department of Veterans Affairs has submitted a budget request for FY 1995 through FY 1999 that contains significant increases in spending and FTE for the VA Medical Care program.

In FY 1995 alone, VA is requesting an increase of $2 billion in outlays and 13,496 FTE. VA asserts that these increases are needed to prepare for national health care reform.

If VA's planned approach to health care reform is accepted, it will create significant problems for the Administration in submitting a FY 1995 Budget that meets the caps and reaches the goal of reducing Federal employment by 12 percent by FY 1999.

Significance of VA's Medical Care Budget Request

VA Medical Care is funded in FY 1994 at $15.6 billion. VA is requesting an increase of $2 billion (13 percent) in FY 1995 over the FY 1994 level. By FY 1997, VA's Medical Care request grows to $3.4 billion over FY 1994. VA's request exceeds the FY 1995 target allowance by $1.75 billion.

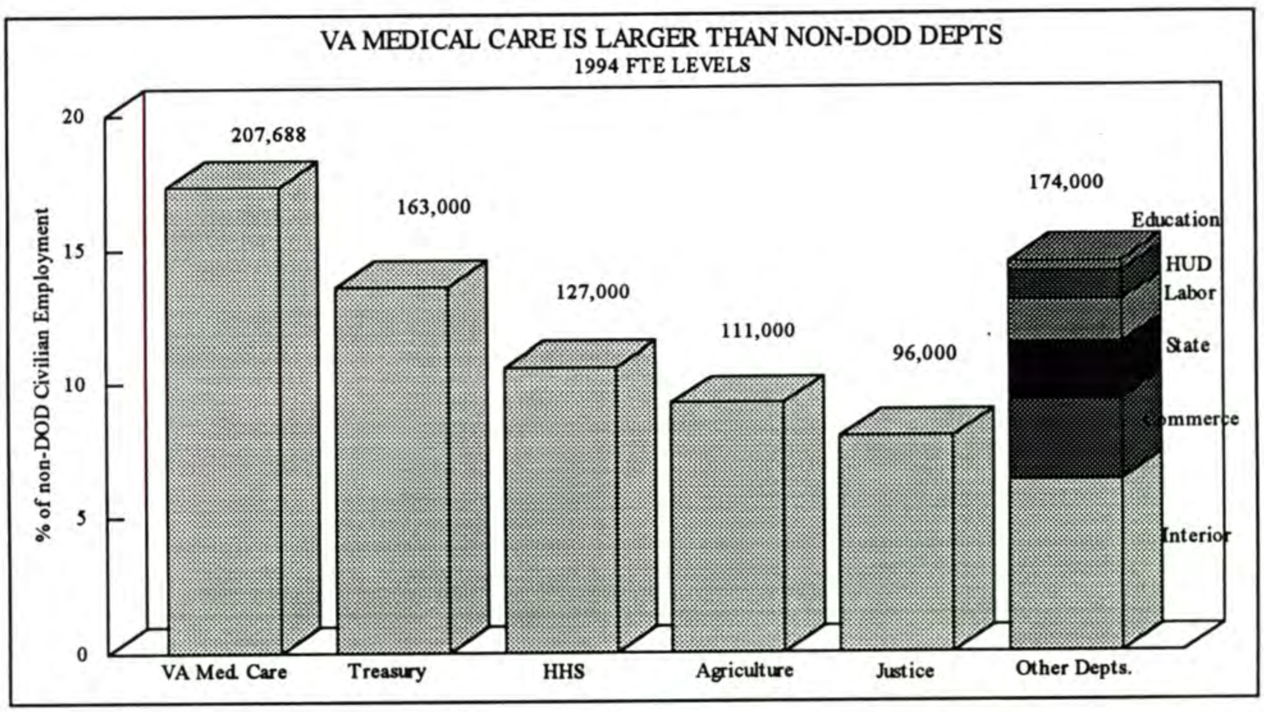
As you know, under the "hard freeze" cap for discretionary programs in FY 1994 through FY 1997, any increases to one agency will have to be funded by reducing another agency's budget.

To put the VA request in perspective, the $2 billion increase requested for Medical Care would have funded National Service and all the investments in the Departments of Education, Energy, Interior, and Justice proposed in last year's budget.

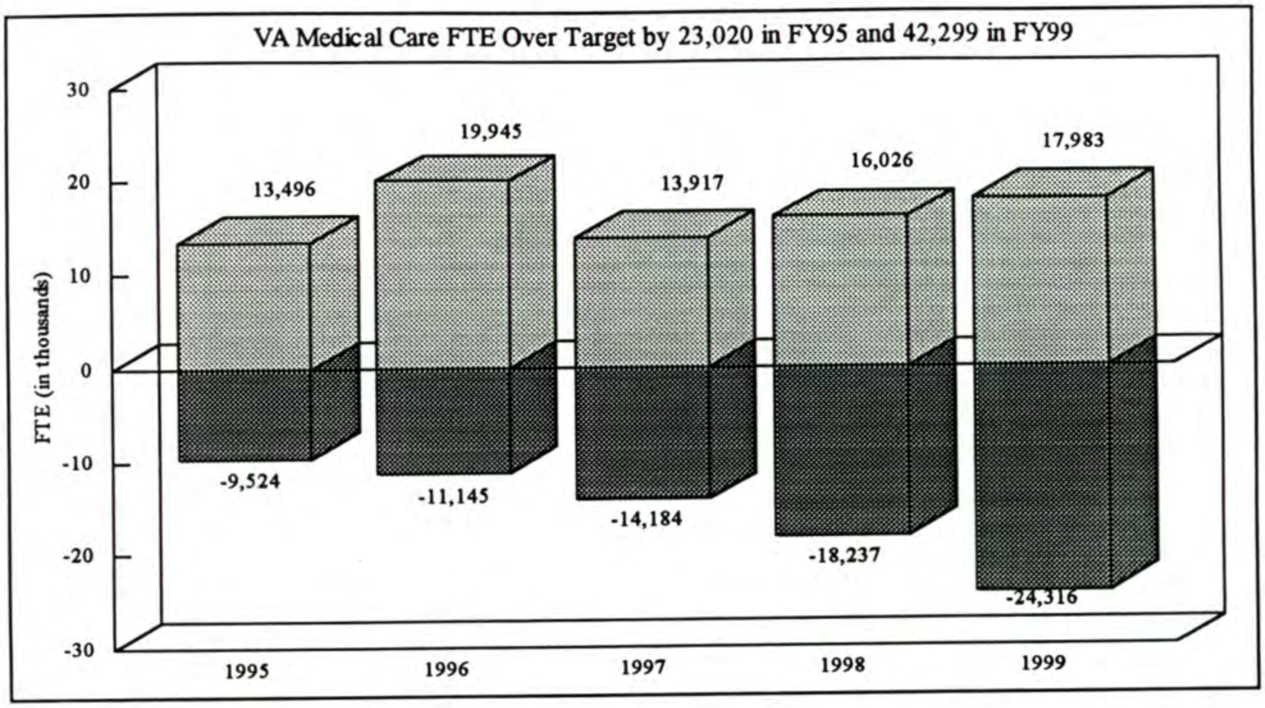
Significance of VA's Medical Care Employment

The VA Medical Care program is, by far, the largest non-Defense civilian employer in the Federal Government. This program employs almost 90 percent of all VA employees.

In FY 1994, Medical Care is projected to employ 207,688 FTE, more FTE than any other non-Defense civilian department, as shown in the accompanying graph.



The graph on the next page shows the magnitude of the VA FTE problem. The top half of each bar is the requested increase by VA over the FY 1993 actual FTE level. The bottom half of each bar represents the VA Medical Care system's pro-rata share of the 12 percent FTE reduction from the actual FY 1993 FTE level.



VA's requested FTE levels would leave the Administration 23,020 FTE short of its FY 1995 goal and 42,299 FTE short of its FY 1999 goal (approximately one-sixth of the total FTE reduction needed).

If VA medical care is considered a high priority, we could reduce other department's FTEs by more than 12% by FY 1999. However, to save 42,299 FTE would require the equivalent of eliminating the Departments of Education, Housing and Urban Development and Labor and the Small Business Administration.

Faced with these facts, we believe that the Administration will not be able to achieve its FTE goals and at the same time provide the staff growth requested by VA in its Medical Care program.

The Justification for VA's Large Increases

VA states that it is requesting these increases in staff and funding to prepare for national health care reform. A substantial share of the requested increase is predicated on VA's projections of the number of new veterans who will come to VA for care under health care reform. Although my staff is awaiting substantive backup for the VA projections, several of the major assumptions, of which we are aware, are questionable.

For example, VA's projection is based on the assumption that the number of veterans seeking care from VA will increase by 5 percent. VA simply assumes that all veterans with military disabilities who are without insurance and who live within 10 miles of a VA facility will seek care from the VA. But under reform these veterans will be eligible to receive insurance from other sources. It is not clear why veterans who have no insurance and do not use VA today, would switch to VA in the future when they will receive national health insurance.

A model created by VA's own statisticians last year projected that demand for VA outpatient care would drop by 11 percent under reform. The General Accounting Office estimated that VA would lose over 40 percent of its patients under reform. The Working Group that developed the VA reform plan for the Administration's health care package estimated that, based on current veterans' preferences for providers, VA would lose 7 to 25 percent of its patients under reform.

One of the major assumptions underlying the plan is that VA will receive and retain funds from outside sources. This includes premiums from the Health Alliances and, in limited cases, Medicare. VA, however, makes no offsetting adjustment in its appropriations request to account for the additional funds from outside sources. As such, VA would "doubledip" under reform.

Another Approach to VA Health Care Reform

The VA has chosen a path of rapid and significant expansion in response to health care reform. This policy guarantees neither a more efficient system or higher quality of care for our nation's veterans.

An alternative approach that may be more prudent and consistent with health care reform's goal of holding down health care costs, would require the VA to demonstrate that it is capable of becoming more efficient and providing quality health care before more funds are invested into the system. To date, VA's track record on developing and following through on commitments to improve systemwide management and increase program efficiencies has been poor. In short, it has not managed its resources wisely.

Under the spur of competition, we can hope for improvements, but I do not recommend making these investments now. To do so would be to deprive other departments of resources needed to fund your investments, many of which have a superior record of success.

Conclusion

Secretary Brown will undoubtedly be seeking your approval of the requests described in this memo. I recommend that you ask him to use health care reform not as a vehicle for expanding the resources available to his Department but rather as an opportunity to provide the veterans' community <u>more choices</u> and <u>better health care</u>. Costs must be contained not only in the private sector but in the public sector as well.

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

THE DIRECTOR

October 21, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta

SUBJECT: Funding the Crime Bill -- **Information**

You should be aware of some possible unintended consequences of fully funding all programs proposed in the Biden crime bill (S. 1488). The Department of Justice's (DOJ) FY 1995 request is about 10 percent (+$0.8 billion) over its 1995 planning baseline. If the Biden bill authorizations were added to this sum, DOJ's request would be about 20 percent ($1.9 billion) over the planning baseline. A commitment to full funding of the Biden Bill authorizations would put extensive additional pressure on the DOJ FY 1995 budget and could tie your hands as you make difficult tradeoffs in assembling the FY 1995 budget package in the weeks ahead.

Authorizations In the Crime Bill

The attachment shows the $6.7 billion in FY 1994-99 authorizations. Of this total, over half ($3.5 billion) supports 50,000 cop hires towards your goal of 100,000 new cops for community policing. The remaining Biden authorizations ($3.2 billion) support a variety of other grant-in-aid law enforcement programs, such as juvenile anti-gang grants, the Police Corps, law enforcement officer scholarships, "Drug Court" grants, and rural drug enforcement grants.

Currently, only the bill's funding for your cops initiative is anticipated in the 1995-1999 planning baseline OMB provided to the DOJ. That is to say, the full $650 million 1995 cops authorization is within our planning baseline. *Other new grant programs, with the exception of low levels of funding for the Police Corps and criminal records upgrades (to support the Brady Bill), are not provided for, however.* The table below outlines the principal DOJ programs funded under differing scenarios.

Department of Justice
Discretionary Budget Authority
($ in Billions)

	1994 Pres. Budget	1994 Likely Enacted	1995 Planning Baseline	1995 DOJ Request	DOJ Req. + Biden Bill
Cops	0.1	*	0.7	0.7	0.7
Other Crime Bill	N/A	N/A	*	*	1.1
Prisons	2.3	2.3	2.5	2.9	2.9
INS	1.0	1.0	1.1	1.2	1.2
FBI/DEA	2.8	2.8	2.7	2.9	2.9
Other DOJ	3.4	3.3	3.4	3.5	3.5
TOTAL ---->	9.6	9.4	10.4	11.2	12.3

* - under $50 million.

Pressures on DOJ's 1995 Budget

Of all the cabinet agencies, DOJ's planning baseline shows the largest percentage increase (+8 percent) from 1994 to 1995. However, much of this increase is necessary to fund a few high-priority programs, including:

- Police Hires. Funds 50,000 cops over the next six years ($650 million in 1995). Consistent with the Biden bill's community policing authorization level, the planning baseline would permit hiring about 50,000 uniformed police by 1999. To meet fully your 100,000 cops pledge, we either would have to continue the program for another five years or, as we had planned last spring, attribute the remaining cops to other initiatives, such as the law enforcement component of the National Service Program. However, this plan for attributing the remaining 50,000 policing slots to other programs is already in jeopardy because of recently concluded Congressional actions on FY 1994 appropriations bills. In view of those actions, and looking across the departments at the planning baselines with which we are working today, it will be extremely difficult to resuscitate our earlier strategy for funding 100,000 cops.

- Prison operations. New prison activations will require an additional $500 million for 1995. Over the next five years, another $2 billion and 15,000 staff will be required to cope with an increasing prison population.

- Health-care fraud. DOJ's plans tentatively include a major initative on the discretionary side of the budget against health-care fraud. DOJ projects $300 million and 2,000 staff will be needed for this initiative by FY 1996.

- Immigration and Naturalization Service (INS). To meet announced commitments, INS is estimating $80 million in added 1995 funding. However, current INS requirements do not include its new pending asylum reform initiative ($50-100 million).

- Border control and illegal immigration. Nor do current budget plans have room for two other issues I believe you should consider in the weeks ahead: a major initiative directed at the 2-3 million illegal aliens now in the country or a dramatically more aggressive enforcement of the Southwest border. Such a program could cost $300-500 million per year. (If you want to provide Federal fiscal relief to states and localities facing extraordinary costs from illegal aliens, this number could easily double.)

In short, even without the additional funding required by the Biden bill or a major immigration initiative, we will have to reduce the Attorney General's $11.2 billion request by $0.8 billion to hit the FY 1995 planning baseline. This will likely result in the following:

- Reducing the pay for Federal law enforcement officers by over $100 million by controlling overtime usage.

- Decreasing law enforcement funding for DEA and FBI ($75 million below 1994 likely action). Significant program and equipment reductions are required. Reductions in force (RIFs) may be required.

- Stemming the influx of new Federal prisoners by reducing low priority prosecutions and assuming State court systems will absorb the resulting case flow.

- Reducing Byrne Anti-Drug Abuse formula grants by about $250 million, or 65% from 1994 conference level.

Conclusion

The point of this is that OMB and DOJ are struggling to shoehorn DOJ's 1995 funding requirements into its 1995 ceiling. This will be difficult to do and may require large cuts in Federal law enforcement programs. Some may question the advisability of cutting deeply into the "bread and butter" of Federal law enforcement while, at the same time, greatly expanding Federal law enforcement assistance programs, pursuant to the crime bill.

For the reasons cited above, I believe it would be premature for the Administration to sign on to full funding of the total authorizations ($6.7 billion) in S. 1488. A commitment of that sort should only be made in the context of reviewing the larger, difficult budget choices within DOJ and across the departments. If you wish to extol the virtues of the crime bill, it may be wise to hedge on pledges to finance all of its many funding authorizations.

Attachment

Authorizations in Senate Crime Bill -- S. 1488

($ in Millions)

Programs	1994	1995	1996	1997	1998	1999	Total
Policing/Cops on the Beat	200	650	650	650	650	650	$3,450
Habeaus Corpus Reform	- -	ss	ss	ss	ss	ss	
Youth Violence/Anti-Gang Grants	- -	100	ss	- -	- -	- -	$100
Sex Violence/Child Abuse (Oprah)	- -	20	20	20	- -	- -	$60
S & L Law Enforcement							
DNA ID - State Grants	- -	10	10	10	10	10	$50
DNA ID - FBI	- -	5	5	5	5	5	$25
Community Partnerships	- -	15	20	25	- -	- -	$60
Racial Bias Study	- -	2	2	2	2	2	$10
Police Officer Provisions							
Family Support	- -	5	5	5	5	5	$25
Police Corps	- -	100	100	ss	ss	ss	$200
Law Enforcement Scholarships	- -	30	30	30	30	30	$150
Drug Court Programs							
Drug Test Arrestees	- -	100	100	100	- -	- -	$300
Alt. Punishments for Youth	- -	200	200	200	- -	- -	$600
Drug Treatment/State Prisoners	- -	100	100	100	- -	- -	$300
Prisons							
Drug Testing - Fed. Prisoners	ss	ss	ss	ss	ss	ss	$0
Drug Treatment - Fed. Prisoners	ss	ss	ss	ss	ss	ss	$0
Boot Camp for Violent Offenders	- -	200	- -	- -	- -	- -	$200
Rural Crime							
Rural Drug Enf. Assistance	- -	50	50	50	- -	- -	$150
Rural Drug Enf. Training	- -	1	1	1	- -	- -	$3
Missing Alzheimer's Program	- -	1	1	1	- -	- -	$3
Parental Kidnapping - Grants	- -	*	*	*	*	*	$0
Safe Schools Assistance	100	100	100	- -	- -	- -	$300
SUBTOTAL----------->	$300	$1,689	$1,394	$1,199	$702	$702	$5,986
Est. of "such sums" totals	$20	$40	$150	$150	$160	$160	$680
TOTAL --------------->	$320	$1,729	$1,544	$1,349	$862	$862	$6,666

Notes: 'ss' represents "such sums as may be necessary." '*' represents "less than $500,000."

EYES ONLY

THE PRES[illegible] SEEN
10/22/93

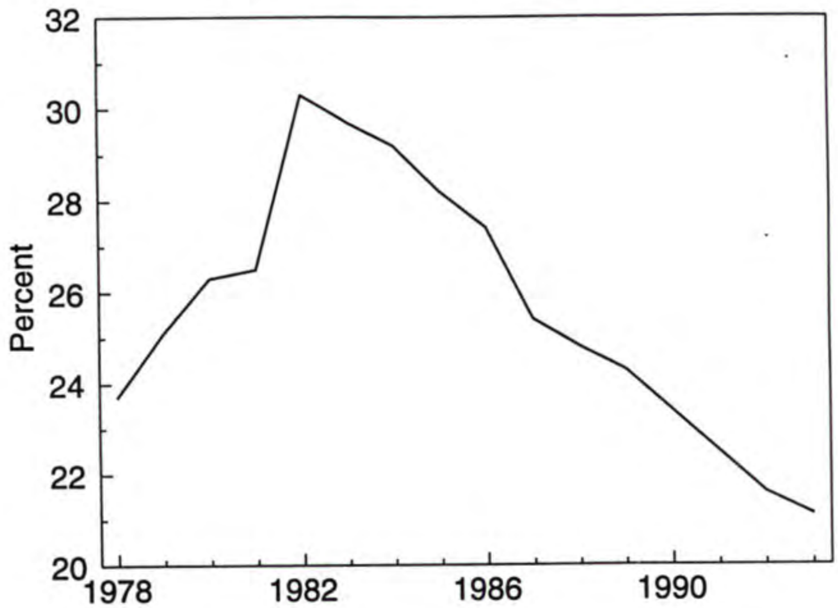
WEEKLY ECONOMIC BRIEFING OF THE PRESIDENT OF THE UNITED STATES

Prepared by the Council of Economic Advisers
with the assistance of the Office of the Vice President

October 22, 1993

CHART OF THE WEEK

Bank Loans as a Fraction of Business Borrowing
(Commercial and Industrial)



Over the last decade, U.S. corporations have reduced their reliance on bank lending as a source of funds. Some of this is a consequence of the shift from bank lending to marketed instruments—corporate bonds and commercial paper.

EYES ONLY

CONTENTS

CURRENT DEVELOPMENTS

ARTICLE

DEPARTMENTS

<u>QUOTATION OF THE WEEK</u>

"Well, it looks like we don't have a consensus...yet."

Chairman Henry Gonzalez, at a House Banking Committee hearing on Tuesday where Chairman Greenspan and 15 other senior Federal Reserve officials voiced objection to proposals to change Federal Reserve procedures. (See Article, p. 4.)

EYES ONLY

CURRENT DEVELOPMENT

New Cable Rate Regulations a Limited Success

A Federal Communications Commission (FCC) survey found that cable television rate regulation has lowered the bill for 68 percent of cable customers. Equipment charges generally declined significantly, but the average programming charge likely fell by no more than a few percent. The FCC's regulations, which implement 1992 legislation, took effect September 1.

Analysis. The rules seek to lower programming rates to long-run average cost by reducing each cable system's rate to a "competitive benchmark." Yet many systems are likely continue to charge a rate in excess of cost. The rules have several loopholes.

- The FCC's rules do not reduce rates to the benchmark. Rather, the initial rate reduction is limited to 10 percent, and regulated rates can increase with inflation. Hence, the many cable firms currently charging more than 10 percent above the competitive benchmark can permanently keep rates above cost, unless new competition from telephone companies lowers prices.

- The "competitive benchmark" may be set above long-run average cost. The benchmark is based in part on the rates of systems with less than 30 percent market penetration. Such systems may have low penetration precisely because they are charging high prices.

- The "competitive benchmark" can be evaded because it is defined on a "per channel" basis. Cable systems can lower average per channel rates without cutting the charge for existing programming by adding low-priced programming, or by shifting high-priced programming to unregulated "pay-per-channel" status.

EYES ONLY

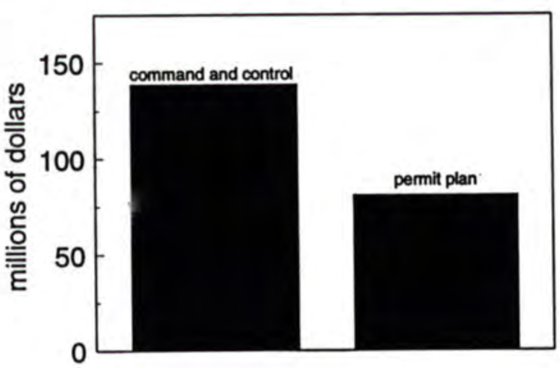
CURRENT DEVELOPMENT

Southern California Approves Smog Market Plan

Last week, Southern California's South Coast Air Quality Management District approved a plan to allow companies to buy and sell permits to pollute. The plan affects 390 of the region's largest polluters including petrochemical plants, glass factories, mining operations, and electric generating stations. These businesses each emit substantial quantities of either nitrogen oxides or sulfur oxides, the main ingredients of Southern California's brown haze.

The new program would require each company to reduce pollutants by a set percentage based on its past emissions. A company that lowers its emissions by more than the required amount will receive credits that it can sell to other companies that cannot meet their targets as cheaply.

Average Annual Costs of Emission Reduction Plans



Analysis. The ability to market pollution permits encourages companies that can reduce pollution cheaply to do so by more than the mandated percentage. Therefore, <u>this plan will produce region-wide emission reductions faster and at lower cost than the current approach of regulating pollution at each source</u>. The Air Quality Management District estimates that marketable permits will reduce the cost of pollution reduction by 42 percent (see chart).

A second trading program in the same District covering pollutants from organic compounds could come next year. EPA has a similar pollution trading program on a national scale to reduce acid rain by promoting reductions in sulfur dioxide emissions from power plants.

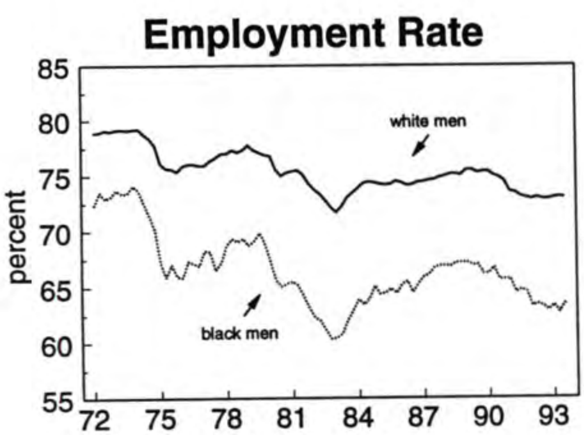
EYES ONLY

CURRENT DEVELOPMENT

Black Employment in Recent Recession Suffered a *Normal* Cyclical Decline

A recent article in the Wall Street Journal stated incorrectly that blacks were the only racial group that suffered declines in employment during the last recession. The Wall Street Journal's figures implied that total employment increased during the recession, which would have come as a surprise to the American people.

The fact is that both blacks and whites suffered employment losses during the last cyclical downturn, with much of the loss by blacks coming before the official beginning of the recession. Blacks did lose jobs at a greater rate than whites, but this pattern is typical of recessions.



Analysis. The employment rate of black men has fallen over 10 percentage points since the early 1970s. The white male employment rate has also fallen, but only half as much. This disturbing trend in black male employment is a much more important story than the normal cyclical fluctuations. Black males work disproportionately in low-wage occupations. Part of the overall decline in labor force participation of black males is a response to declining wages for the lowest-paid workers.

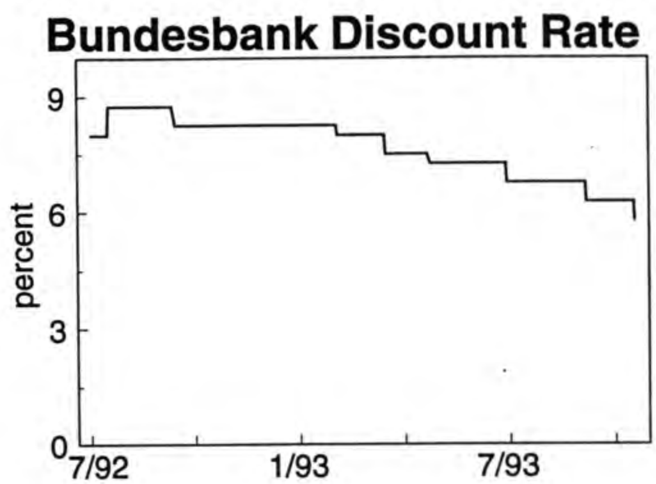
Falling employment of black men has adversely affected the incomes of black families. Moreover, black women have had a high labor force participation rate for decades. Since they were already working, there was little room within the black family for increased income of women to replace the stagnating income of men.

EYES ONLY

CURRENT DEVELOPMENT

Bundesbank Cuts Discount Rate, Other European Countries Follow

The Bundesbank lowered its key interest rates by 50 basis points on Thursday. The discount rate, the effective floor for money market interest rates, was set at 5.75 percent, and the Lombard rate, the effective ceiling, was set at 6.75 percent. These cuts represent the sixth time this year that the Bundesbank has reduced the discount rate.



Interest rate cuts followed in several European countries: Austria, Belgium, Italy, the Netherlands, Switzerland, and Sweden. As of 7 p.m. Thursday, France has conspicuously failed to follow suit.

<u>Analysis</u>. The Bundesbank for the past year has been following a policy of slowly cutting interest rates in small increments. Consumer prices have been rising at a 2.4 percent annual rate over the past 3 months while wholesale prices have been flat. Thus, short-term real interest rates remain high. That fact, plus the weak German economy, suggest that there is additional room for interest rate cuts by the Bundesbank.

EYES ONLY

ARTICLE

Federal Reserve Independence Debated

The House Banking Committee recently held hearings on proposals to make the Fed more accountable in its conduct of monetary policy. The proposals—all opposed by the Fed—include the following:

- Closer alignment of the term of the Federal Reserve Board's Chairman with that of the President. The Chairman's term would begin 1 year into a new administration and would last 4 years.

- Direct Presidential appointment of the Fed's twelve regional bank presidents. Five regional presidents join the seven Fed Governors on the Federal Open Market Committee (FOMC), the body that determines monetary policy. These presidents are currently selected by the regional banks, with approval from the Board of Governors.

- Closer and more formalized communication between the Fed and the executive branch, and greater Congressional oversight of the Fed through broader General Accounting Office (GAO) audits.

- More timely disclosure of Federal Open Market Committee minutes. Presently, FOMC policy decisions are released in summary form 6 weeks after a meeting. One proposal calls for immediate disclosure of the FOMC's decisions. Another calls for release of more detail, even a videotape.

Merits. The various proposals have some merit.

- Although the Fed argues otherwise, the suggestion for faster dissemination of FOMC decisions may remove some of the uncertainty financial markets face in trying to divine Fed policy. FOMC decisions are often leaked. Some recent research shows that these leaks do not affect financial market volatility. Thus, fears of routine release of the decisions are perhaps overstated. The related proposal to provide a fuller record of FOMC meetings would, however, probably reduce debate at FOMC meetings.

- That the Reserve Bank presidents are chosen by their boards of directors, which are composed mainly of business people and bankers, does mean that they have less political legitimacy than they might. An argument for Presidential appointment can indeed be made.

Pitfalls. In a recent letter to Chairman Gonzalez, you said you are presently "disinclined" to support the proposal for Presidential appointment of Reserve Bank presidents, although you understand his concerns. The following considerations provide reasons for not tampering with the current system.

- There is a substantial risk that bond market participants would interpret any change in the rules under which monetary policy is formulated as a sign that the Fed would be subjected to political pressure to overstimulate the economy. Such beliefs would cause interest rates to rise.

- There is some evidence that less independent central banks typically yield higher inflation with few or no offsetting benefits. Countries with tighter political control of their central bank experience high inflation, yet do not enjoy smoother or higher rates of GDP growth, lower interest rates, or more jobs. It could be that countries with independent central banks merely have other sound policies or institutions. Thus, many economists believe that exerting greater political control over the central bank is dangerous.

- Chairman Greenspan and the Fed are adamantly opposed to any change.

None of the proposals under consideration by the House Banking Committee would radically challenge the Fed's independence. Nonetheless, tampering with the present system right now would have few or no benefits and potentially serious and adverse consequences.

EYES ONLY

BUSINESS, CONSUMER, AND REGIONAL ROUNDUP

Survey Shows Human Side of Recession. The University of Chicago's National Opinion Research Center's General Social Survey reveals the consequences for families of the 1990-1991 recession. One fourth of all households reported experiencing pay cuts for the husband, wife, or both sometime during 1990 or 1991. Over 28 percent reported a major worsening of their finances, and over 10 percent were forced to pawn goods. The survey shows that financial problems hit blacks, women, households with many children, and separated and divorced individuals especially hard.

Two Major Banks Cut Their Prime Lending Rates. Morgan Guaranty Trust and Harris Trust reduced their prime rate to 0.5 percent on October 18. As of Thursday, no other major banks have followed.

Telecommunications Companies to Offer Powerful Transmission System. Motorola Inc. and US West Inc. announced plans to sell switches (computers that relay phone calls and data) that will use new asynchronous transfer mode (ATM) technology. ATM allows transmission at speeds up to 622 million bits per second, making the simultaneous transmission of voice, data, and video applications over the same wire feasible. Motorola's product will more than triple the speed of existing telephone lines, and so facilitate the provision of multimedia telecommunications services by telephone companies (see Weekly Economic Briefing, October 1, 1993).

Multimedia Product Launched for Christmas. Yes! Entertainment Corp. has developed a new technology that enables TV signals to control other electronic devices in the home. The technology's first application will be TV Teddy, a Teddy Ruxpin doll that will speak and sing in conjunction with a television program. The information to tell TV Teddy what to say will be embedded in a portion of the signal not displayed on the television. A decoder will translate and transmit the data to the teddy bear. This new technology raises yet another issue of standardization: Will Barbie be able to talk to Barney?

EYES ONLY

RELEASES THIS WEEK

Housing Starts

Housing starts increased 2.8 percent from August to September, to an annual level of 1.35 million units.

Consumer Sentiment ** NOT FOR PUBLIC RELEASE **

In the preliminary report for October, the University of Michigan survey showed that consumer sentiment rebounded sharply.

MAJOR RELEASES NEXT WEEK

Fiscal Year 1993 Deficit (Tuesday)

Durable Goods Shipments and Orders (Wednesday)

GDP (Thursday)

Personal Income (Friday)

EYES ONLY

U.S. ECONOMIC STATISTICS

	1970–1992	1992	1992:4	1993:1	1993:2
Percent growth (annual rate)					
Real GDP	2.5	3.9	5.7	0.8	1.9
GDP deflator	5.8	2.8	3.3	3.6	2.3
Productivity					
Nonfarm business	1.1	3.7	4.1	–1.8	–1.3
Manufacturing (begins 1977)	2.0	5.2	7.0	4.9	5.2
Real compensation per hour	0.6	2.2	1.4	–1.0	–1.5
Shares of Real GDP (percent)					
Business fixed investment	10.9	10.6	10.7	11.1	11.5
Residential investment	4.8	4.0	4.2	4.2	4.0
Exports	7.9	11.6	11.7	11.6	11.6
Imports	9.0	12.3	12.4	12.8	13.1
Shares of Nominal GDP (percent)					
Personal saving	4.9	4.0	4.5	2.8	3.3
Federal surplus	–2.8	–4.6	–4.3	–4.2	–3.5

	1970–1992	1992	July 1993	Aug. 1993	Sept. 1993
Unemployment Rate	6.7	7.4	6.8	6.7	6.7
Payroll employment (thousands)					
increase per month			237	–41	156
increase since Jan. 1993			1103	1062	1218
Inflation (percent per period)					
CPI	6.0	2.9	0.1	0.3	0.0
PPI-Finished goods	5.3	1.6	–0.2	–0.6	0.2

No new data this week.

EYES ONLY

FINANCIAL STATISTICS

	1992	July 1993	Aug. 1993	Sept. 1993	Oct. 21, 1993
Dow-Jones Industrial Average	3284	3529	3597	3592	3636
Interest Rates					
3-month T-bill	3.43	3.04	3.02	2.95	3.05
10-year T-bond	7.01	5.81	5.68	5.36	5.35
Mortgage rate, 30-year fixed	8.40	7.21	7.11	6.91	6.74
Prime rate	6.25	6.00	6.00	6.00	6.00

INTERNATIONAL STATISTICS

Exchange Rates	**Current level Oct. 21, 1993**	**Percent Change from Week ago**	**Percent Change from Year ago**
Deutschemark-Dollar	1.665	+3.3	+10.1
Yen-Dollar	108.3	+0.9	−11.3
Multilateral (1973=100)	94.21	+1.9	+9.1

International Comparisons	**Real GDP growth (last 4 quarters)**	**Unemployment rate**	**CPI inflation (last 12 months)**
United States	+2.9 (Q2)	6.7 (Sep)	2.7 (Sep)
Canada	+2.4 (Q2)	11.3 (Aug)	1.7 (Aug)
Japan	−0.5 (Q2)	2.6 (Jul)	1.9 (Jul)
France	−1.0 (Q2)	11.3 (Jul)	1.7 (Aug)
Germany	−2.4 (Q2)	6.1 (Aug)	4.2 (Aug)
Italy	−0.9 (Q1)	10.6 (Jul)	4.5 (Aug)
United Kingdom	+2.0 (Q2)	10.5 (Aug)	1.7 (Aug)