

Originally Processed With FOIA(s):
2009-0166-S

FOIA Number:
2009-0166-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90651
Folder ID Number: 90651-006

Folder Title:
Friday, February 7, 1992 [2]

Stack:	Row:	Section:	Shelf:	Position:
V	0	0	0	0

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. List	[Camp David Visit for 7-9 February 1992]: Cabin Assignments (1 pp.)	02/09/92	(b)(7)(e)	
01b. List	[Camp David Visit for 7-9 February 1992]: Helo Manifest (Staff/Guests) [redaction] (1 pp.)	02/09/92	(b)(7)(e)	
02a. Schedule	[Camp David Visit] Visit Package 7-9 February 1992: Cabin Assignments (1 pp.)	02/07/92	(b)(7)(e)	
02b. List	[Camp David Visit for 7-9 February 1992]: Helo Manifest (Staff/Guests) [redaction] (1 pp.)	n.d.	(b)(7)(e)	
02c. List	[Camp David Visit for 7-9 February 1992]: Other Access (2 pp.)	n.d.	(b)(7)(e)	
02d. List	[Camp David Visit for 7-9 February 1992]: Camp David Chapel Access List (1 pp.)	n.d.	(b)(7)(e)	
02e. Report	[Camp David Visit for 7-9 February 1992]: Visit Package [Procedures] (3 pp.)	02/7-9/92	(b)(7)(e)	
02f. List	[Camp David Visit for 7-9 February 1992]: Duty Section (1 pp.)	02/7-9/92	(b)(7)(e)	
02g. List	[Camp David Visit for 7-9 February 1992]: Camp David [USSS details] (1 pp.)	02/06/92	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

Page 1 of 1

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Record Group:	Bush Presidential Records
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Series:	Daily Files
Subseries:	
WHORM Cat.:	
File Location:	Friday, February 7, 1992 [2]
Pinksheet Number:	dw2477
OA/ID Number:	90651-006
Date Closed:	9/24/2014
FOIA/Sys Case #:	2009-0166-S
Re-review Case #:	
P-2/P-5 Review Case #:	

9 February 1992

MEMORANDUM

From: Command Duty Officer
To: Distribution
Via: (1) Executive Officer
(2) Commanding Officer

Subj: VISIT REPORT FOR 7-9 FEBRUARY 1992

Encl: (1) Cabin assignments
(2) Helo manifest
(3) Arrivals/departures access list

1. Enclosures (1) through (3) provide added details for the subject Presidential visit.

ARRIVALS/DEPARTURESFriday, 7 February 1992

1332 - MSCM Ariel Deguzman (WHSM) and Paula Rendon aboard. (C2)
1714 - Sam and Ellie LeBlond (Grandchildren) and Kathleen McGovern (Nanny) aboard. (P5)
1716 - First Lady, Tom and Virginia Moseley (Guests) aboard via Motorcade. (M1)
1800 - Lud and Cathy Ashley (Guests) aboard. (P1)
1856 - NIGHTHAWK TWO touchdown. (H2)
1900 - MARINE ONE touchdown with the President, staff and USSS. (H1)

Saturday, 8 February 1992

0522 - Carpet vehicle #5 delivered newspapers, the movie "Final Analysis" and a package for the First Lady and one for the Milaide.
0532 - Carpet vehicle #5 ashore.
1110 - Secretary Dick Cheney (SECDEF) aboard. (P6)
1111 - General Brent Scowcroft (NSC) and Susan Biddle (WH Photo) aboard via carpet vehicle #66. (C3)
1122 - General Colin Powell (Chairman JCS) aboard via Defense Department vehicle. (C4)
1124 - Samuel Skinner (WH COS) aboard via carpet vehicle #67. (C5)

- 1150 - Secretary James Baker (SECSTATE) aboard via State Department vehicle. (C6)
- 1322 - Samuel Skinner (WH COS) ashore via carpet vehicle #67. (C5)
- 1323 - Secretary Dick Cheney (SECDEF) ashore. (P6)
- 1325 - Secretary James Baker (SECSTATE) ashore via State Department vehicle. (C6)
- 1328 - General Colin Powell (Chairman JCS) ashore via Defense Department vehicle. (C4)
- 1336 - General Brent Scowcroft (NSC) and Susan Biddle (WH Photo) ashore via carpet vehicle #66. (C3)
- 1532 - Bobby Koch (Guest) aboard. (P2)
- 1635 - Bobby Koch (Guest) ashore. (P2)

Sunday, 9 February 1992

- 0530 - Carpet vehicle #25 aboard with newspapers.
- 0537 - Carpet vehicle #25 ashore.
- 0716 - MAJ Deken (Chaplain) aboard. (P3)
- 0816 - MAJ Deken (Chaplain) ashore. (P3)
- 0820 - Dr. Ron Ellis (Organist) aboard. (P4)
- 0954 - Dr. Ron Ellis (Organist) ashore. (P4)
- 1311 - MSCM Ariel Deguzman (WHSM) and Paula Rendon ashore. (C2)
- 1452 - Sam and Ellie LeBlond (Grandchildren) and Kathleen McGovern (Nanny) ashore. (P5)
- 1531 - NIGHTHAWK TWO ashore. (H4)
- 1532 - MARINE ONE ashore with the President, First Lady, guests, staff and USSS. (H3)
- 1537 - Lud Ashley ashore. (P1)

GUEST ACTIVITIES

Movies

Aspen: Friday - "The Cutting Edge"
Saturday - "Naked Gun 2 1/2" (Beta *)

* Only watched the first several minutes.

The staff/guests checked out 14 beta videos during the visit.

Wallyball

The President, staff and Marines played wallyball on Sunday morning.

Golf carts

The First Lady and guests toured Camp on Friday afternoon. The President and First Lady toured the Nature Trail and Perimeter Road Saturday morning. The President toured the Perimeter Road Sunday morning.

Bowling

Kathleen McGovern and Sam and Ellie LeBlond bowled on Friday afternoon. The President, First Lady, family and guests bowled on Saturday and Sunday mornings.

Walking

The President and guests walked Main Camp Road and the Perimeter Road Saturday afternoon.

Wye Oak

The First Lady rode the life cycle Saturday afternoon and Sunday morning. The President used the treadmill Sunday morning.

Fire Arms Training Simulator (FATS)

The President and guests used the FATS on Saturday afternoon.

Sledding

Sam and Ellie LeBlond used the sleds behind Aspen Saturday afternoon.

Chapel Services

Chaplain Frusti conducted an interdenominational service at 0900 in the Chapel. The President, First Lady, family, staff and crew members and their dependents attended for a total of 55. Chaplain Deken conducted a Catholic service at 0730. Five crew members were in attendance.

Miscellaneous

The President held a meeting with members of his cabinet, NSC and JCS on Saturday afternoon.

KUDOS

Navy - SK2 Brown, EO3 Frick, CM1 Lambley
Marines - LCPL Butler, LCPL Funk

Very respectfully,

B.H. Mallady
B. H. MAILLADY
LT, SC, USN

Distribution:

CO

XO

Dept Heads

Visit File

OOD Passdown Log

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RESTRICTION CODES

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PRM. Removed as a personal record misfile.

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HELO MANIFEST (STAFF/GUESTS)

HELO #1 (ARRIVE 1900/FRIDAY)
MARINE ONE

HELO #2 (ARRIVE 1856/FRIDAY)
NIGHTHAWK TWO

(b)(7)(e)

HELO #3 (DEPART 1532/SUNDAY)
MARINE TWO

HELO #4 (DEPART 1531/SUNDAY)
NIGHTHAWK TWO

(b)(7)(e)

POV (STAFF/GUESTS)

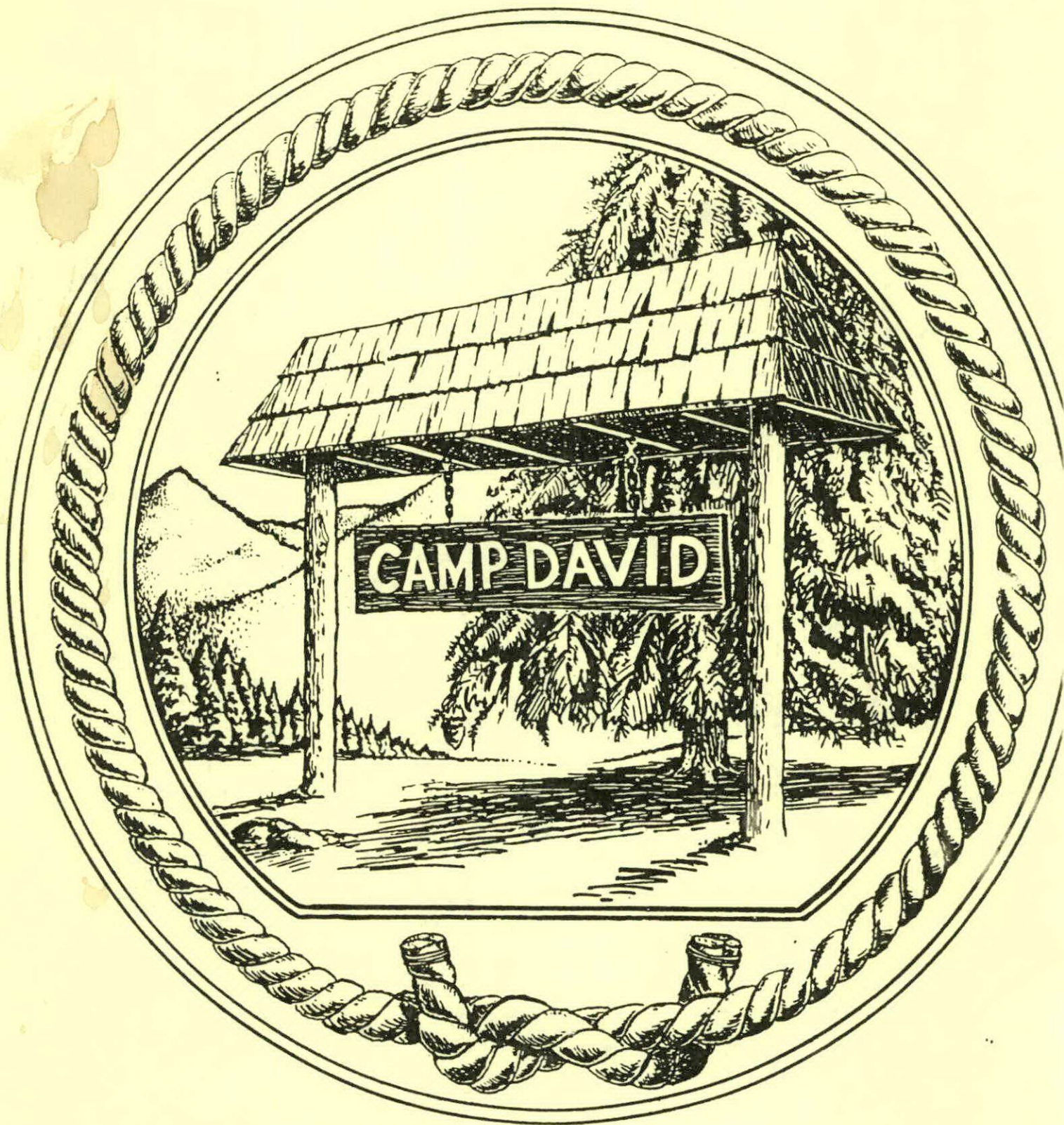
<u>CODE</u>	<u>NAME</u>	<u>TITLE</u>	<u>ARRIVE</u>	<u>DEPART</u>	<u>VEHICLE ID</u>
P1	LUD ASHLEY CATHY ASHLEY	FRIEND OF POTUS WIFE OF LUD ASHLEY	1800/FRI	1537/SUN H3	BMW DC 288714
P2	BOBBY KOCH	GUEST	1532/SAT	1635/SAT	PONTIAC
P3	MAJ JOHN DEKEN	CHAPLAIN	0716/SUN	0816/SUN	CHEVY LUMINA
P4	DR RON ELLIS	ORGANIST	0820/SUN	0954/SUN	BUICK MD SBB289
P5	SAM LEBLOND ELLIE LEBLOND KATHLEEN MCGOVERN	GRANDSON GRANDDAU NANNY	1714/FRI	1452/SUN	JEEP CHEROKEE MD YVB317
P6	DICK CHENEY	SECDEF	1110/SAT	1323/SAT	CADILLAC MD 91392X

CARPET/GOV'T VEHICLE (STAFF/GUESTS)

<u>CODE</u>	<u>NAME</u>	<u>TITLE</u>	<u>ARRIVE</u>	<u>DEPART</u>	<u>VEHICLE ID</u>
C1	CW2 FRANK VALDEZ CW2 WATSON	PCO (U/I) FO U/I	1215/FRI H2	H4 1905/FRI	WHCA VEH
C2	PAULA RENDON MSCM ARIEL DEGUZMAN	WHSM	1332/FRI	1311/SUN	WHSM VAN
C3	GEN BRENT SCOWCROFT SUSAN BIDDLE	NSC WH PHOTO	1111/SAT	1336/SAT	CARPET
C4	GEN COLIN POWELL	CHAIRMAN JCS	1122/SAT	1328/SAT	DEFENSE DEPT
C5	SAMUEL SKINNER	WH COS	1124/SAT	1322/SAT	CARPET
C6	JAMES BAKER	SEC STATE	1150/SAT	1325/SAT	STATE DEPT

MOTORCADE

<u>CODE</u>	<u>NAME</u>	<u>TITLE</u>	<u>ARRIVE</u>	<u>DEPART</u>	<u>VEHICLE ID</u>
M1	BARBARA BUSH TOM MOSELEY VIRGINIA MOSELEY	FIRST LADY FRIEND OF POTUS WIFE OF TOM MOSELEY	1716/FRI	H3	MOTORCADE



7-9 FEBRUARY 1992

***** CAMP DAVID WEATHER 07 FEB 92 *****

OL-A, AFCOS TSGT JOSEPH A. SCHROFF

DSN 988-2204 or (301) 878-2204.

***** FORECAST ***** ||||| EXTENDED OUTLOOK |||||

	FRIDAY	SATURDAY	SUNDAY	MONDAY	TUESDAY
HIGH	41	34	26	30	39
LOW	23	25	13	12	17
	PARTLY CLOUDY	PARTLY TO MOSTLY CLOUDY SKIES WITH FLURRIES	(-- MOSTLY SUNNY SKIES --) (--- COLD TEMPERATURES ---)		PARTLY CLOUDY
	S 5-15 KT SHIFTING TO NW 10-20 KT	N 10-20 G25 KT	NNW 5-15 KT	SW 5-10 KT	SW 5-10 KTS

AFTER A MILD START TODAY A COLD FRONT WILL MOVE THROUGH THE AREA THIS EVENING USHERING IN COLDER AIR. THE FORECAST IS FOR PARTLY CLOUDY SKIES TODAY WITH SOUTHERLY WINDS SHIFTING TO THE NORTHWEST THIS EVENING. EXPECT PARTLY TO MOSTLY CLOUDY SKIES ON SATURDAY WITH FLURRIES POSSIBLE. THE EXTENDED OUTLOOK CALLS FOR MOSTLY SUNNY SKIES WITH COLD TEMPERATURES ON SUNDAY AND MONDAY. EXPECT PARTLY CLOUDY CONDITIONS TUESDAY.

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10-2 BERTHING INFORMATION

10-2 Upper Dormitory, Room #26 _____

Room #27 _____

Room #28 _____

Room #29 _____

Room #33 _____

Room #34 _____

Room #35 _____

10-2 Lower Dormitory, Room #40 _____

- Racks will be pre-made of Friday, Ready for use.
- On the following morning, racks will be stripped and remade for you. Fresh towels will be provided also.
- If arriving into the facility late at night, please keep the noise to a minimum. Duty personnel are sleeping in this same area.
- The duty Codeman is available in 10-1 at all time for any assistance you may need. Phone is x 41892.
- Also, the Command Duty Officer can assist if necessary. Pager number is 3020.

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HELO #1 (ARRIVE 1845/FRIDAY)
MARINE ONE

HELO #2 (ARRIVE 1846/FRIDAY)
NIGHTHAWK TWO

(b)(7)(e)

HELO #3 (ARRIVE 1135/SATURDAY)
NIGHTHAWK 9

HELO #4 (DEPART 1400/SATURDAY)
NIGHTHAWK 9

(b)(7)(e)

HELO #5 (DEPART /SUNDAY)
MARINE TWO

HELO #6 (DEPART /SUNDAY)
NIGHTHAWK TWO

(b)(7)(e)

POV (STAFF/GUESTS)

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C3	SAM LEBLOND ELLIE LEBLOND KATHLEEN MCGOVERN	GRANDSON GRANDDAU NANNY	1700/FRI	/SUN	
C4	LCDR WAYNE JUSTICE LTCOL MIKE GOULD	MILAIDE	1000/SUN H1	H3 1000/SUN	WH VEH

MOTORCADE

<u>CODE</u>	<u>NAME</u>	<u>TITLE</u>	<u>ARRIVE</u>	<u>DEPART</u>	<u>VEHICLE ID</u>
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02e. Report	[Camp David Visit for 7-9 February 1992]: Visit Package [Procedures] (3 pp.)	02/7-9/92	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, February 7, 1992 [2]

Date Closed: 9/24/2014	OA/ID Number: 90651-006
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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

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SHANGRI LA LOUNGE HOURS

FRIDAY:	1000-1300	1600-0030
SATURDAY:		1000-0030
SUNDAY:		1000-2215

GALLEY HOURS

BREAKFAST	0545-0800	\$1.10
LUNCH	1030-1230	\$1.90
DINNER	1545-1730	\$1.90

LUNCH

SPEED LINE

DINNER

Friday

BEEF NOODLE SOUP
TUNA NOODLE CASSEROLE
SIMMERED ASPARAGUS
SEASONED SUCCOTASH
CHEESE CAKE
OATMEAL COOKIES
ORANGE JELLO

BEEF NOODLE SOUP
GRILLED HAMBURGER
GRILLED CHEESEBURGER
FRENCH FRIED POTATOES
BAKED BEANS & HOT DOGS
OATMEAL COOKIES
ORANGE JELLO

BEEF NOODLE SOUP
BREADED VEAL CUTLETS
WALDORF POTATOES
CAULIFLOWER PARMESAN
BUTTERED CARROTS STICKS
OATMEAL COOKIES
ORANGE JELLO

Saturday

KNICKERBOCKER SOUP
TURKEY ALA KING
BAKING POWDER BISCUIT
STEAMED BROCCOLI SPEARS
CHOCOLATE BROWNIES
BLUEBERRY PIE

KNICKERBOCKER SOUP
GRILLED HAMBURGER
GRILLED CHEESEBURGER
FRENCH FRIED POTATOES
KNOCKWURST
CHOCOLATE BROWNIES

KNICKERBOCKER SOUP
ROAST LOIN OF PORK
SIMMERED PEAS W/MUSHROOMS
SEASONED MIXED VEGETABLES
HOT DINNER ROLLS
BLUEBERRY PIE

Sunday

PEPPER POT SOUP
HOMESTYLE SWISS STEAK
OVEN GLO POTATOES
STEAMED LIMA BEANS
YELLOW CAKE W/ICING
CHOCOLATE CHIP COOKIES

PEPPER POT SOUP
GRILLED HAMBURGER
GRILLED CHEESEBURGER
FRENCH FRIED POTATOES
CHICKEN BASKET
CHOCOLATE CHIP COOKIES

PEPPER POT SOUP
SPAGHETTI W/MEAT SAUCE
CLUB SPINACH
VEGETABLE COMBO
HOT GARLIC BREAD
YELLOW CAKE W/ICING

DUTY SECTION

COMMANDING OFFICER

CDR JOE CAMP, CEC, USN

EXECUTIVE OFFICER

LCDR BOB HYDE, CEC, USN

COMMAND DUTY OFFICER

LT BRIAN MALLADY, SC, USN

MARINE OFFICER OF THE DAY

CAPT PETER GAYNOR, USMC

NAVY OFFICER OF THE DAY

ENCS STEVEN SYKORA, USN

ASPEN PROJECTIONIST

IC2 SCOTT COCHRAN, USN

DUTY LAUREL

FRI: MS1 BILL AKINS, USN

SAT: MS2 ERROL SODERQUIST, USN

SUN: MS1 MICHAEL HOLMES, USN

WHCA VISIT ASSISTANT T/O

SFC WALTER TUCHALSKI, USA

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02f. List	[Camp David Visit for 7-9 February 1992]: Duty Section (1 pp.)	02/7-9/92	(b)(7)(e)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, February 7, 1992 [2]

Date Closed:	9/24/2014	OA/ID Number:	90651-006
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
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AR Disposition:		MR Disposition:	
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02g. List	[Camp David Visit for 7-9 February 1992]: Camp David [USSS details] (1 pp.)	02/06/92	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, February 7, 1992 [2]

Date Closed:	9/24/2014	OA/ID Number:	90651-006
FOIA/SYS Case #:	2009-0166-S	Appeal Case #:	
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February 7, 1992

MEMORANDUM FOR CAMP DAVID COMMANDING OFFICER
DUTY MILITARY AIDE
CAMP DAVID PRESS AIDE

FROM: LAURA PARHAM
WHITE HOUSE PRESS OFFICE

SUBJECT: CAMP DAVID PRESS OBSERVERS FOR
WEEKEND OF FEBRUARY 7 - FEBRUARY 9, 1992

Bruce Young
Reuters News
Subaru/Loyale
VA HIC-790
Cozy Room 31
Direct #301-271-4396
Pager 202/592-6725

Scott Applewhite
Associated Press
Black Nissan Maxima
MD 388-ALS
(not staying overnight)

ROSE-

2/6

We sent these
recommended calls
to Phil on the road.

The Chief of Staff
has seen them and,
he agrees that the
President should
make the calls.

Beth.

for 2/8/92

BUSH 92 QUAYLE

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

February 4, 1992

02 FEB 6 P2:01

RECOMMENDED TELEPHONE CALLS

TO: Warren Pearson
603/255-4343

DATE: At earliest convenience.

RECOMMENDED BY: David Carney

PURPOSE: To request the support of Mr. Pearson and his family in the New Hampshire Primary.

BACKGROUND: Mr. Pearson is a registered Republican, and a co-manager of the Balsams resort. He and his family are conservative Republicans leaning against supporting you in the Primary. Governor Gregg has spoken to him and shifted him from the Buchanan column to neutral.

TOPICS OF DISCUSSION:

1. Discuss the situation in New Hampshire generally.
2. Inquire about what is going on.
3. Ask if they have any good ideas about what we should be doing in the state.
4. Ask for his family's support in the New Hampshire Primary to send a message to Congress that Americans want action on your proposals.

CONTACT PERSON AND TELEPHONE NUMBERS: Warren Pearson
603/255-4343

DATE OF SUBMISSION: February 4, 1992

ACTION:

1030 15th Street, N.W., Washington, DC 20005
Phone: 202-336-7080

Paid For By Bush-Quayle '92 Primary Committee, Inc.

Printed On Recycled Paper

BUSH 92 QUAYLE

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

02 FEB 6 P2:01

February 4, 1992

RECOMMENDED TELEPHONE CALLS

TO: Neil Tillotson
603/255-3091

DATE: At earliest convenience.

RECOMMENDED BY: David Carney

PURPOSE: To request the support of Mr. Tillotson and his family in the New Hampshire Primary.

BACKGROUND: Mr. Tillotson is a registered Republican and resident of Dixville Notch. He is the senior member of the Tillotson family, and the retired owner of Tillotson Rubber Company, located next to the Balsams resort.

TOPICS OF DISCUSSION:

1. Discuss the situation in New Hampshire generally.
2. Inquire about what is going on.
3. Ask if he has any good ideas about what we should be doing in the state.
4. Ask for his support and the support of his family in the New Hampshire Primary to send a message to Congress that Americans want action on your proposals.

CONTACT PERSON AND TELEPHONE NUMBERS: Neil Tillotson
603/255-3091

DATE OF SUBMISSION: February 4, 1992

ACTION:

1030 15th Street, N.W., Washington, DC 20005
Phone: 202-336-7080

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BUSH 92 QUAYLE

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

02 FEB 6 P2:01

February 4, 1992

RECOMMENDED TELEPHONE CALLS

TO: Tom Tillotson
603/255-3851

DATE: At earliest convenience.

RECOMMENDED BY: David Carney

PURPOSE: To express appreciation for his support and ask for the support of his family in the New Hampshire Primary.

BACKGROUND: Tom now runs the Tillotson Rubber Company. Governor Gregg has spoken to him and he is supportive of you. You should ask for his family's support.

TOPICS OF DISCUSSION:

1. Discuss the situation in New Hampshire generally.
2. Inquire about what is going on.
3. Ask if they have any good ideas about what we should be doing in the state.
4. Ask for his family's support in the New Hampshire Primary to send a message to Congress that Americans want action on your proposals.

CONTACT PERSON AND TELEPHONE NUMBERS: Tom Tillotson
603/255-3851

DATE OF SUBMISSION: February 4, 1992

ACTION:

1030 15th Street, N.W., Washington, DC 20005
Phone: 202-336-7080

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BUSH 92 QUAYLE

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

February 4, 1992

32 FEB 6 P2:01

RECOMMENDED TELEPHONE CALL

TO: Stephen Barba
603/255-4373

DATE: At earliest convenience

RECOMMENDED BY: David Carney

PURPOSE: To request their support in the New Hampshire Primary.

BACKGROUND: Stephen and his wife Gail are registered Independents. Stephen is a co-manager of the Balsams Resort. He has been supportive in the past. Because of the economy, the Balsams is having a below par year. Gail recently resigned as Bush Chairperson in Dixville and signed on with Ralph Nader.

TOPICS OF DISCUSSION:

1. Discuss the situation in New Hampshire generally.
2. Inquire about what is going on.
3. Ask if they have any good ideas about what we should be doing in the state.
4. Ask for their support in the New Hampshire Primary to send a message to Congress that Americans want action on your proposals.

CONTACT PERSON AND TELEPHONE NUMBERS: Stephen Barba
603/255-4373

DATE OF SUBMISSION: February 4, 1992

ACTION:

1030 15th Street, N.W., Washington, DC 20005
Phone: 202-336-7080

Paid For By Bush-Quayle '92 Primary Committee, Inc.

Printed On Recycled Paper

WHITE HOUSE STAFFING MEMORANDUM

E

DATE: 2/4/92 ACTION/CONCURRENCE/COMMENT DUE BY: ---

PRESIDENTIAL REMARKS: SAN DIEGO ROTARY CLUB

SUBJECT: FRIDAY, FEBRUARY 7, 10:00 a.m.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	HORNER	☐	☐
SKINNER	☐	☒	CALIO	☐	☒
SCOWCROFT	☐	☐	PETERSMEYER	☐	☒
DARMAN	☐	☒	PORTER	☐	☒
BRADY	☐	☒	ROGICH	☐	☒
BROMLEY	☐	☐	SMITH	☐	☒
CARD	☐	☒	BOSKIN	☐	☒
DEMAREST	☐	☒	KAUFMAN	☐	☒
FITZWATER	☐	☒	FINDLAY	☐	☒
GRAY	☐	☒	SNOW	☐	☒
HOLIDAY	☐	☒		☐	☒

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

THE WHITE HOUSE

WASHINGTON

February 4, 1992

02 FEB 4 P6:21

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST
 TONY SNOW *TS*

FROM: CURT SMITH *CS*

SUBJECT: SAN DIEGO ROTARY CLUB

On Friday, February 7, at 10:00 a.m., you will deliver remarks (approximately 14 minutes/teleprompted) to a breakfast audience of 400 Rotarians and 50-70 health care officials at the Sheraton Harbor Island Hotel in San Diego, California.

Your remarks play off the previous day's announcement of your health care package in Cleveland. You address the challenges confronting our current system, and critique the nationalized care proposals suggested by others. The speech then emphasizes the important role of prevention, focusing on the most obvious preventative measure: infant immunization.

(Smith/Grossman)
February 4, 1992
SHOT

PRESIDENTIAL REMARKS: ROTARY CLUB
SAN DIEGO, CALIFORNIA
FRIDAY, FEBRUARY 7, 1992

It is a delight to be in what, nearly thirty years ago, a writer called "a pleasant and leisurely city . . . [glistening] under a flood of sunlight." // Today, San Diego shines and bustles -- a truly American jewel. // Thank you for the privilege of visiting this beautiful city on the Pacific. //

((I know that the eyes of sailing enthusiasts are on San Diego this year with the "America's Cup" competition in progress. // If you run low on wind, let me know -- I can send you some of the surplus we have in Washington.)) //

Earlier today, I visited a catalyst of caring -- the Logan Heights Family Health Center, founded by Laura Rodriguez, one of San Diego's Points of Light. I saw the families and the children -- and watched the little ones being immunized. / Later, I talked with parents and community leaders about how greater immunization can increase illness prevention.

This afternoon, I want to discuss how prevention can achieve a priceless gift: Good health in America. // Let me begin with an equation: Good health equals a change in the health care system plus a change in the way we act. //

This country has the best health care system in the world. The problem is not our unrivaled quality. It is, first, that health care costs too much. This year, Americans will pay more

than \$800 billion for health care -- one-tenth of all we spend. /
 A second problem is that too many are excluded -- leaving one-seventh of our people without health insurance coverage. / This brings me to the system's third flaw: Millions fear losing access to coverage when they change jobs, or develop illness. // This is unacceptable -- and it's got to stop. /

Imagine. Let's say you're making do -- just getting by your current job that offers health coverage for your disabled child. / Let's say you get offered a better job with a higher salary. You want to take it. / You need to take it. / But you can't take the chance it won't cover your child. // That, too, is unacceptable -- and it's got to stop. //

Affordability -- access -- portability -- these are the issues we must address. So yesterday, in Cleveland, I announced a pioneering plan to do just that: To stabilize costs / ensure access / and free workers from the fear of losing coverage. // My plan will preserve what works and reform what doesn't. It consists of four points -- each based on choice. I ask you to support them. Help me make the best system in the world even better. //

First, our plan will make health insurance more accessible by making it more affordable for millions of low-to-middle income families. For low-income families, I want a health insurance credit of up to \$3,750 a year to help them buy insurance: For middle-income, a tax deduction for the same amount. / Second, we will cut health care costs by making it more efficient. Studies

show that the larger the group being insured, the lower the cost per individual. So we will create Health Insurance Networks that help companies band together and cut administrative costs. /

The third point will also lower costs. We must reform medical malpractice litigation. // Today we have too many malpractice suits driving up costs for a doctor, a nurse, or a hospital stay. // ((I don't want to get into trouble with the Bar Association, but I once quoted to someone that line, "An apple a day keeps the doctor away." He said, "What works for lawyers?")) / Here's what will work for America: Let's spend as much time building a better health system as we do wrestling with our legal system. We'd do better caring for each other if we stop solving problems by suing each other. // That brings me to point four. We will cut the outrageous growth -- so that we can protect the benefits -- of Federal health programs like Medicare.

Our reform program will cut costs / ensure choice / and give everyone -- rich or poor; sick or healthy -- access to health care. / Yet there are those who -- like an old dog -- refuse to learn new tricks. // Instead of a better health care system -- they demand a nationalized system. // Instead of my program for success -- they're giving America a prescription for failure. //

The folks who want national health care are the same people who said that Tony Gwynn would never amount to much of a hitter - - they just can't see the future. / They think socialized medicine is just the ticket for health care in America. What

they're not saying is the ticket is your number in the waiting line for treatment. //

Anyone who's spent months checking the mail for that income tax refund // or tried to track down a missing social security check // or wasted a day in line at the DMV is going to think long and hard before they let the government play doctor. // Some say nationalized health care would serve everyone. Sure, it would -- like a restaurant that serves bad food -- but in very generous portions. //

Look at countries where socialized medicine violates the number one rule of the Medical Profession: "Do no harm." // They can tell you: Nationalized health care is a national disaster. // I love Canada -- and I'll even admit that Canada's system of socialized medicine has increased that country's exports. What's been exported are patients coming to the U.S. for prompt surgery and doctors coming here for better working conditions. //

As long as I am President, we will NOT go down the road of nationalized health care. //

Nor will we jump from the frying pan into the fire. I oppose the other government-takeover plan known as pay or play -- where employers are forced either to accept a health insurance plan or pay a payroll tax and join the government plan. / That choice costs jobs and money, and reminds me of the guy with the gun in your back who says: "Your money or your life." // Jack Benny used to respond by saying, "I'm thinking, I'm thinking." /

We'd better think long and hard about a pay or play plan that would make us pay / and pay / and pay. //

I will not let Congress try to cure America's health care ailments by binding wounds in red tape. / I have proposed a plan that is sensible, and will work. I ask you to help, too. // One of the best ways is keeping people healthy. So let me talk about how we must also change the way we act. / If you'll forgive me for altering an old saying: "A pound of prevention is worth a ton of cure."//

My good friend and Secretary of HHS, Lou Sullivan, has said: "Better control of fewer than 10 risk factors...could prevent [up to] 70 percent of premature deaths, one-third of all cases of acute disability and two-thirds of all cases of long-lasting disability" -- and, yes, many, many AIDS cases. / If you avoid drugs / smoke less / drink less / and exercise more / you'll live longer -- and America will live better. //

Let's show how exercise can keep you physically and mentally fit. // Let's change the behavior -- drug abuse / alcohol abuse / smoking -- which costs society tens of billions of dollars in lost earnings and productivity, treatment-related programs, accidents, and crime. // Maybe I'm a little old-fashioned -- but I believe personal responsibility makes progress possible. So let's also act through another prevention measure: immunization. // With health care costs stretched to the limit, we can't afford NOT to immunize our youngest children. //

Last June, Secretary Sullivan and I announced our Administration's Immunization Initiative. Our goal was simple: to bring immunization to every American child. // This effort pays huge dividends: Every \$1 spent on immunization now for measles, mumps, and rubella saves an estimated \$14 later. //

Consider two facts. / Two years ago, measles cases soared to a high of 27,000. In 1989-90 alone, measles caused 130 deaths -- 60 percent of which were children under five years of age. How needless. How tragic. To this wrong which breaks our hearts, we need immunization to set things right. //

((Let me tell you a story about a family right here in San Diego. Michael and Barbara Baines had always watched closely over the health of their children. Last year, they were preparing for the holidays, but they were not prepared for the news -- their two littlest, stricken by whooping cough. // Thank God, 2 and 1/2 year-old Kensington has now left the hospital. Little 18-month-old Colleen has stabilized. As Michael and Barbara prayed, they asked that other parents would not make the same mistake. // Said Michael: "You can't fight something you can't see . . . You've got to have them immunized. Give them as much protection as you can -- as early as you can.")) //

It's because of families like the Baines that I put forth this message: We need improved immunization. We also need earlier immunization. / Not merely of school-age kids -- where immunization approaches 100 percent -- but of our smallest victims -- where a year of wait can be a year too long. // Kids

need to be completely vaccinated in the first and second years of life. Yet immunization rates at two years of age are only 50 per cent in many States -- and often as low as 10 per cent in some inner cities. / We have to change that -- and we will. //

It won't be easy to immunize every child: The only place where success comes before work is the dictionary. // Yet the government will do its part. The private sector needs to do its part. / We need to help it try creative ideas like "one-stop shopping" for health care, and escorted referral for "express lane" immunization at clinics. // Finally, I ask each of you -- mothers, fathers, spouses, friends. / Call your health official or physician. Join groups which encourage childhood immunization. Please -- please -- make sure your child is immunized. //

When I was little, I read a quote by Saint Francis of Assisi. "Give me a child until he is seven," he wrote, "and you may have him afterward." // Through a better system and better behavior, we can ensure that the future will have our kids afterward -- hoping / building / dreaming / as Americans always have / as Americans always will.

God bless you, and the United States of America.

#

daily



Aboard Air Force One

February 7, 1992

Dear Kristin,

That was such a thoughtful letter you wrote on February 6. I did see a little piece in the paper about your book, and I am thrilled. I hope it proves to be a tremendous success.

You have many friends here. As you know, we are all rooting for you. If the private sector ever gets boring or tedious, give me a holler.

Best wishes,

A handwritten signature in black ink, appearing to be "Bill Clinton".

Ms. Kristin Clark Taylor
Director of Communications
Bellsouth
Suite 900
1133 21st Street, N.W.
Washington, D.C. 20036

✓ CC: (in & out)
Rose Zamaria

BELLSOUTH

Kristin Clark Taylor
Director of Communications

Suite 900
1133 21st Street, N.W.
Washington, D.C. 20036
202 463-4130
202 463-4195 FAX

32 FEB 6 3:36

February 6, 1992

The Honorable George Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

I hope all is well with you. I still miss everyone tremendously.

I wanted to share a bit of news with you that I'm absolutely thrilled about, and I wanted to tell you before you hear it from someone else.

I've recently signed a contract with Doubleday to write a book about my life -- about my childhood, my family, and my days at the White House. I feel blessed to have been afforded the opportunity, and I will use my pen to inspire, enlighten and encourage -- young people, particularly. Hopefully you know me well enough to know that I will be honest and truthful in my approach, but never scathing or bitter. My tenure at the White House enriched my life immeasurably, and for that I will always be thankful.

Andy Card, Marlin Fitzwater and several other of my former colleagues have encouraged me with positive feedback. I've also made Counsel's office aware of this project.

Doubleday was initially interested in publishing the book as close to the election as possible, which I rejected. I felt it would have in some way been used as a tool; as a platform to stir up some kind of debate -- and I didn't want to put myself in the position of distracting or diluting attention during this critically important election. For that reason, the book is expected to be published in the Spring of 1993 -- when we will again occupy the White House and the dust will have finally settled from the campaign.

I am proud to have been a part of your team, and I thank you for providing the experiences to make this project possible.

Please say hello to everyone for me.

Warmest Regards,



Kristin Clark Taylor

The Honorable Ernest Angelo, Jr.
410 North Main
Midland, Texas 79701

Blind
cc: (in & out)
Rose Zamaria
Ron Kaufman



Howard Ship Force One

2-7-92

Dear Ernie -

Thanks for your

commit to Ron &
Roemer.

on the Roemer
contamination - He was

acting "minor league".

I'm glad you felt
it came out OK

All Best

Ed B

THE WHITE HOUSE
WASHINGTON

32 FEB 7 AM: 06

February 6, 1992

MEMORANDUM TO THE PRESIDENT

FROM: RON KAUFMAN 

SUBJECT: FYI - GOVERNOR ROMER

Ernie Angelo called yesterday just to say what a spectacular job you did handling Governor Romer. He thought it was just the shot in the arm that the team needed and that echoes the sentiments of lots of other folks.



Aboard Air Force One

February 7, 1992

Dear Fred,

As I write this, you are packing up and getting ready for the voyage southwest towards home. This is not the official formally written farewell. Rather, it is a personal note from a friend and admirer who has been the beneficiary of your loyal support.

You know how many friends you have in Washington. I wonder if you know how much those friends really care about you. I guess I can really only speak for the Bush family that you have given us so much and have shown us how a class individual acts -- we will never forget. Now you are off to a whole new challenge in the private sector. You will do well, I know. If you ever need a hand to reach out to, mine is extended. Thanks for all you have done for this Administration, and thanks for the joy you have given to the Bush family. So long for now, my friend.

Sincerely,

The Honorable Frederick McClure
3325 Pensa Drive
Falls Church, Virginia 22041

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Frederick D. McClure
First Southwest Company
500 First City Center
1700 Pacific Avenue
Suite 500
Dallas, Texas 75201

Copy put in George W file

From the desk of
George Bush

To
My boy Geo W

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

Document Originally
Attached to
Following Page



THE PRESIDENT

" Jn "

Fred McClure, Aggie
asst to Pres is returning
to Dallas. A good man -
a very good man. Let's
get him involved in

the A-M Library -
all yours.

Devotedly Dad

attaches my letter to Fred
to " " me

the desk of
Bush

204 957-1705

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

Document Originally
Attached to
Following Page



FREDERICK D. McCLURE

3325 Pensa Drive
Falls Church, Virginia 22041

February 3, 1992

Dear Mr. President:

This letter is intended to serve as the "private" submission of my official resignation as your assistant for legislative affairs.

Although it was seven weeks ago, it seems as though it was only yesterday when I was at a loss for words in your limousine as I informed you of my decision to leave your staff to return to our home state of Texas. I will never forget what I was feeling at the time. I had been going through my lines for several weeks, over and over again, but they somehow managed to escape me when the moment finally arrived. As I told you, it was the only time that I have ever felt completely speechless in your presence, even during those times when I didn't have an answer to one of your many inquiries, and there were more than a few of those.

Sir, it is difficult for me to put into words how grateful I am for the opportunity to serve this great country that you gave me. Perhaps that is because it has been so personal to me. Although I will never be able to publicly discuss all of the reasons, I will never be able to thank you enough.

I will never forget that day in late December of 1988, the anniversary of my father's death, when you offered me the opportunity to join your staff. I distinctly remember my bringing up our fathers who were unable to witness the chances to serve that you had just been given by the American people and that you were about to share just a small portion of with me. I suspect and hope that if it is at all possible, they are brimming with pride with smiles on their faces up above.

Throughout my tenure on your staff I have tried to approach my job responsibilities with two questions foremost -- how would Dad handle this and how would the President handle this. I hope that it has served me in good stead, and most importantly, I hope that it has served you in the fashion you so richly deserve.

I could go through a rambling list of all the legislative battles of the past 36 months, including those that were difficult, those that were disappointing, those rare ones that

were distasteful, and those that were extremely rewarding, but I will not. Thankfully you were just as much aware of what we faced as was I. Please just allow me to say that I was more than happy to embark on these missions in your behalf.

The opportunity to serve as an Assistant to the President is a rare one indeed, one that can either massage the ego to no end or keep it carefully contained. Very few individuals have been given such a responsibility during the short history of our nation, especially a guy from a little East Texas town called San Augustine. When our now departed friend, John Tower, gave me a chance back in 1977, little did I know that it would turn into the experiences I have had over the past three years. My steadfast goal during the past three years has been to approach and handle these responsibilities with the highest degree of integrity and loyalty to my principal "client" -- my leader.

Mr. President, although I will forever remember your victories in Congress and events associated with them, more so will I remember those personal moments that we shared. Those are the ones that are indelibly stamped in my memory. Yes, many of them have historic implications; others were simply those when you busted me outright. But others were those that allowed me to have "moments" with **"The President of the United States,"** George Bush, an individual whose heart is as big and as warm as any I have ever known. A man who was and is perfect to lead the United States as we witness and seek to affect the tremendous changes going on in our great Nation and around the world. Those are the ones that I will never forget.

Please forgive me for making two exceptions -- although there are far more than two -- to my earlier statement about not recounting the last three years. One event that will forever stick out was when we were going through the civil rights legislation the first time around. You and I had an impromptu heart-to-heart conversation in your outer office, one which you instigated when you were headed to the Cabinet room from the Oval Office for one of our many Congressional meetings on some other subject. You laid some rather heavy questions and concerns on me and caught me off-guard. I will always cherish the letter that was on the chair in my office following my being pasted all over the front page of the newspaper that Saturday morning which soon followed.

The other, although it has absolutely nothing to do with my job or Congress, was when we had just completed a Congressional meeting back in July and I needed to discuss some unrelated subject briefly with you. It was a gorgeous day, but it was also obvious that you had had a rough day already. In the midst of my talking to you about something, you interrupted me and said "Fred, wouldn't it be great to be at A&M today? Sometimes I think that we oughta just go."

Mr. President, you really scared me that day. You had not given firm indications at the time about whether you were going to seek another term, and as much as I love A&M, the way you talked really put a scare into me. Why? Because you did it more than once -- three times to be exact -- during our relatively brief conversation. More importantly, I thought you had made a decision that was going off in the wrong direction.

Although I am leaving your employ in an official sense, I will always be in your corner, probably more fervently when I turn in my White House pass on Wednesday. Please do not ever hesitate to call upon me if I can be of assistance in any way. I hope that you will not think of it as an imposition because it will never be, whether associated with your re-election, any insight that I might give during your second term, your library at A&M, or just to talk about what's going on generally. I will always shoot straight, as I have tried to do over the past three years.

Just, please, try not to call me in the wee hours of the morning (even though it was already 7:30 a.m. one particular morning) on a weekend when I am in the midst of shaving. Just because you're up rambling around at Camp David at that hour, that does not mean that the rest of the world is. "The Phantom of the Opera," I will always contend, I am not! And, no, I only know of one person who has ever accused me of looking better with one-half of my face covered with shaving cream!

You and Barbara (she made me call her that the night of the "mujeres", but I'll always just say "Ma'am") have been most gracious to Harriet and me. We will forever be grateful for those many kindnesses, like the one tonight. Y'all are two of the most genuine folks I have ever known, and that's the highest compliment I can give. Plain and simple, there is no other way to put it. How blessed the Nation is to have you both where you are. Indeed, Mr. President, your entire family will always occupy a very special place in the McClure hearts.

Thank you, sir, for being a great boss. Thank you for being a great President! Thank you, most of all, for being my friend.

With deep appreciation,

Sincerely,


Frederick D. McClure



THE PRESIDENT

2-7-92

Dear Bob,

Thanks for all that
gubernatorial hospitality
yesterday. I'll send along
the photos. There was something
special for me about yesterday's
visit - very special. Thanks.
Bill

THE WHITE HOUSE

The Honorable Robert Miller
Office of The Governor
State Capitol
Carson City, Nevada 88710

you're a Texan.

Barbara Vucanovich told
me of your wonderful work
there - of your determination to
complete a good athletic program with
academic excellence. Good Luck
with that. I'll send along
some 'pics' but for now
May thanks from a grateful
Ag Bull

THE WHITE HOUSE

President Robert Maxson
UNLV, Office of The President
4505 South Maryland Parkway
Las Vegas, NV 89154

POOL REPORT # 4

February 7, 1992

First the news: President Bush said he'll make "the big announcement" that he's running for reelection on Tuesday. He disclosed this juicy morsel to a group of Mexican-American grade school children from Logan Elementary School in San Diego's Logan Heights neighborhood.

"Don't tell them," he said pointing to the travel pool, "next Tuesday, you watch the big announcement." He was answering a question that your pool could not hear about the election.

Marlin later offered a sanitized version, saying that Tuesday is wrong, the announcement probably will be made on Wednesday.

Bush, in his finest grandfatherly form, worked a ropeline with the children who mobbed him, pumping his hand, asking him to take pictures with them and sign autographs.

They clamored for his attention when he left the Logan Heights Health Clinic, where he watched a toddler get vaccinated against diphtheria, pertussis and tetanus.

The children yelled for Bush to come over. "Wait a minute, I've got to start over there," he said pointing to the far end of the line. When Bush said, "momentito," the children calmed down.

Bush gave several of them a civics lesson between handshakes and photos. Unfortunately, your pool was kept a new and improved campaign position especially for travel poolers. We were yards back and could only hear snatches.

One boy asked how Bush got to be president. His quotes: "Every four years...campaign a lot...tell people things...just go around and campaign."

Another child, let's say a girl because your pool could not see, asked what are the problems he faces. "I think the biggest problem is the economy," Bush answered.

One boy who looked like a sixth grader asked if Bush likes being president. "Yeah, I like it. It gets hard sometimes," Bush said.

When the boy asked how he could get to be president, Bush told him: "Do your best. Do what your family tells you."

Clearly enjoying himself, Bush spent so much time with the children that he was late for his date with the Rotarians. Finally, he broke away, saying: "Hey, I've got to go to work. And I just know you want to get back to class!"

They talked with the president, as Louis Sullivan, Antonia Novello and Pete Wilson followed shaking hands and grabbing the cameras Bush shoved at them so they could take pictures for the children.

The scene was a spic and span parking lot behind the clinic building. Bush probably couldn't see much of the surroundings because the view was blocked by those big buses. The local newspaper describes Logan Heights as "a neighborhood that many San Diegans associate with drive-by shootings."

The spit-polished clinic had none of the feel of an institution. It was done in serene peach and mint colors, decorated with fresh flowers, green plants and signs in English and Spanish.

Bush walked into the maternal and child health suite, rolling up his sleeves and wondering: "Why am I doing this?"

Little Edwin Gonzalez, age 17 months, was put on the table where Bush watched him get his shots. Edwin squirmed when he figured out the deal then let out a little squeal when the nurse stuck him. He quickly recovered, however, turning to the cameras skeptically and later grinning at Bush.

Novello handed Bush a blue-knit mitten puppet in the shape of a doggie. Bush put it on and growled, "Woof, woof, woof," to Edwin's delight.

He then posed with Marcia Simmons, a pale blond woman holding her five-month old daughter on her lap. Before Bush came in, Simmons told your pool she had brought her baby, Marica, to the clinic's "early intervention program for drug exposed infants."

Simmons, who sported a tatoo on her left wrist, said she had received her first pre-natal exam in her eight month of pregnancy. Asked why, she explained that she was working part time and could not afford Medi-Cal health insurance payments totalling \$400 every three months. "If I had been on welfare I would have got covered immediately," she said.

Simmons is uninsured now. She was asked if she'd heard about Bush's health care program and what her thoughts were, Simmons said: "I'm for socialized medicine."

He also posed for pictures with D'Artgnan (that's how I learned to spell it) Johnson.

Bush pointedly ignored questions about his reaction to the reception his proposals has received thus far. When someone asked what if taxes are required to pay for his plan, Bush said: "It's not required."

The only official reaction to the plan's reception came from Marlin. He said the reception has been "very good. It's been excellent. Great support ... from various members of the health industry, health lobby, doctors."

Marlin would not play on Gates. When asked what Gates is doing in the Middle East, he said: "We don't discuss trips to the Middle East. Call the CIA, they'll be glad to talk about it."

Jessica Lee
USA Today

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 7, 1992

STATEMENT BY THE PRESS SECRETARY

The President has announced the appointment of Dr. Robert L. Gallucci as Senior Coordinator reporting to the Deputy Secretary of State, with responsibility for coordinating the Administration's cooperation with the states of the former Soviet Union to reduce the risk that their scientists and know-how would contribute to the proliferation of special weapons. For this purpose, he will also assist in the coordination of assistance to the Commonwealth of Independent States in the areas of conversion of the state-run defense establishment to peaceful or commercial enterprises, and humanitarian and educational needs. Dr. Gallucci will carry the personal rank of Ambassador.

In order to assume these new responsibilities, Dr. Gallucci has resigned his position as Deputy Executive Chairman of the UN Special Commission charged with the destruction or removal from Iraq of weapons of mass destruction and ballistic missiles. Ambassador Michael Newlin has been nominated to succeed Dr. Gallucci in that position.

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THE WHITE HOUSE
Office of the Press Secretary

EMBARGOED FOR DELIVERY

February 7, 1992

STATEMENT BY THE PRESIDENT

Today I am pleased to sign into law H.R. 4095 to extend and increase the benefits available under the Emergency Unemployment Compensation program. These benefits are financed in a manner consistent with the discipline of the budget agreement and long-term economic growth.

The 13 additional weeks of unemployment benefits provided by this legislation means real help to unemployed workers and their families during these tough times. It means getting checks into the hands of men and women to help pay the mortgage or the grocery bill, make the car payment or meet the daily expense of raising a family -- at the same time they're seeking new employment.

As Americans who watched my State of the Union Address last week might remember, I called for swift enactment of this legislation. The bill I am signing today demonstrates clearly that when the Congress wants to act expeditiously it can. When the Congress and the Administration work in common cause, we can accomplish great things.

The greatest challenge we have before us now is getting the economy moving again. I have offered an immediate action plan to the Congress. The best thing the Congress can do for the American people is pass this action plan -- and pass it by March 20, the deadline I announced in the State of the Union.

Yes, it's a political year. But we are in a window of opportunity right now -- we can put partisanship aside -- we've got 42 more days. The American people deserve action now, and it's time for the Congress to enact the plan we have put forward.

GEORGE BUSH

THE WHITE HOUSE,
February 7, 1992.

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THE WHITE HOUSE

Office of the Press Secretary
(San Diego, California)

For Immediate Release

February 7, 1992

The President has announced his intention to appoint the following individuals to be Members of the Commission on Broadcasting to the People's Republic of China:

ROBERT JOHN HUGHES, of Utah. Currently, Mr. Hughes is a Syndicated Columnist and Director of the International Media Studies Program at Brigham Young University in Provo, Utah.

DONALD M. ANDERSON, of the District of Columbia. Currently, Mr. Anderson serves as President of the United States - China Business Council in Washington, D.C.

These are new positions.

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THE WHITE HOUSE

**OFFICE OF THE PRESS SECRETARY
(San Diego, California)**

FOR IMMEDIATE RELEASE

February 7 , 1992

The President today declared a major disaster exists in the Federated States of Micronesia and ordered Federal aid to supplement state and local recovery efforts in the area struck by Typhoon Axel on January 8 through and including January 10, 1992.

The President's action makes Federal funding available to affected local governments in the affected areas of: Kosrae State, the Island of Pohnpei, Mwoakilloa Atoll, and Pingelap Atoll.

Federal funding also is available to eligible local governments on a cost-sharing basis for the repair or replacement of public facilities damaged by the typhoon.

Wallace E. Stickney, director of the Federal Emergency Management Agency (FEMA), named Frank L. Kishton of FEMA's regional office in San Francisco, California to coordinate Federal recovery operations in the affected area.

The Agency said that damage surveys are continuing in other areas, and additional counties may be added after the assessments are completed.

* * *

FOR FURTHER INFORMATION CONTACT: FEMA (202) 646-4600.

THE WHITE HOUSE

Office of the Press Secretary
(San Diego, California)

For Immediate Release

February 7, 1992

REMARKS BY THE PRESIDENT
TO THE SAN DIEGO ROTARY CLUB

Sheraton Island Harbor Hotel
San Diego, California

10:20 A.M. PST

THE PRESIDENT: Thank you all very, very much for that welcome. And, Governor Wilson -- Pete -- thank you for that introduction, for being at my side in so many battles that I think affect this country. May I also salute Secretary Lou Sullivan, our distinguished Secretary of HHS who is sitting here, who came with me today. The Surgeon General, Surgeon General Novello is here somewhere out in the audience, sitting right over here. And next to her, Bill Roper, who is the head of the CDC, the Center for Disease Control, in Atlanta; and Dr. James Mason, who is our Assistant Secretary of HHS for Public Health.

So you are surrounded, literally surrounded by health experts -- our very best. And they are awful good and I'm proud to be working at their side as we come to grips with some of these problems facing our nation in health care.

May I also salute the members of Congress who are here: Representative Duke Cunningham, over here; Duncan Hunter I believe is with us, too. Bill Lowery and Ron Packard, somewhere modestly in the crowd. (Applause.) We've got a wonderful representation from this broad area in Washington, D.C.

And may I thank Craig Evanco, the President of this Rotary Club, for assembling such a distinguished group at an awkward time, I'm sure, for some. But in any event, I'm just delighted to be here. And let me salute all, ladies and gentlemen.

It's a pleasure to be in San Diego. I've always loved it; been here many, many times. This is where I set sail for overseas way back in 1944, and this is where I returned to from overseas. And ever since then I've been coming here a great deal. It's a truly American jewel. And thank you for the privilege of visiting this beautiful city on the Pacific once again.

I know that the eyes of the sailing enthusiasts are again on San Diego this year with the America's Cup competition. And if you run low on wind -- (laughter) -- no, we've got a surplus back in Washington and we'd be glad to help out. (Laughter.) But good luck on all of that.

Earlier today -- and I apologize for keeping you all waiting by some 15 minutes, I'm afraid -- but I visited a catalyst of caring; something that I'm sure everyone in this Rotary Club that believes in service is proud of -- the Logan Heights Family Health Center, founded by one Laura Rodriguez, one of what we call a Point of Light, one of San Diego's true Points

MORE

of Light. And I saw the families and the children and watched one little guy get immunized there. Later, I had a chance to talk with the parents and community leaders about how greater immunization can increase illness prevention.

This morning, like immunization, I will try to be brief -- and also like immunization, I will try to keep the pain to a minimum. I was so moved by that warm response to just being here that I'm sorely tempted to give a flamboyant political speech here today. (Laughter.) But I'm going to resist that because I think we've got a lot to get done for the country in health care, and I want to talk to you about that subject and discuss how prevention can achieve a priceless gift: good health in America. So let me begin, then, with an equation: Good health equals a change in the health care system plus a change in the way we act.

This country has the best health care system in the world -- the best. The quality of health care in America is unrivaled. You couldn't tell it from some of the political criticism, but it is unrivaled. So that's not the problem. Rather, the problem is, first, that too many Americans are excluded, leaving one-seventh of our people without health insurance coverage. And second, millions of Americans fear losing access to coverage when they change jobs or develop illness. This is absolutely unacceptable for the United States of America, and it's got to stop.

Finally, health care costs too much. And this year -- listen to this number now -- this year Americans will pay more than \$800 billion for health care, one-tenth of all we spend. The health of our economy and the health of our nation cannot afford it. And we've got to do something about it. And now is the time to start. (Applause.)

Imagine. Let's say you're making do -- just getting by in your current job that offers health care for your disabled child. Let's say you get offered a better job with a higher salary. You want to take it. You need to take it. But you can't take the chance that it won't cover your child. That is not the American way. And I know we can do better, and my plan does. And we've got to roll up our sleeves and meet this challenge head on.

Affordability, access, portability -- these are the issues we've got to address. So yesterday in Cleveland, I announced a pioneering plan to do just that: to stabilize costs, ensure access, and free workers from the fear of losing coverage. My plan will preserve what works and reform what doesn't work. It consists of four points -- and I ask you to support this plan and help me make the best system in the world even better.

First, our plan will make health insurance more accessible by making it more affordable for millions of low-to-middle income families. For low-income families, I want a health insurance credit of up to \$3,750 a year to help them buy insurance; for middle-income, a tax deduction up to the same amount. Second, we will cut health care costs by making it more efficient. Studies show that the larger the group being insured, the lower the cost per individual. So we will create what we call health insurance networks that help companies band together and cut administrative costs.

And the third point will also lower costs. We must reform medical malpractice litigation. (Applause.) Today we have too many malpractice suits driving up costs for a doctor, a nurse, or a hospital stay. And I might say parenthetically this

malpractice suit is just a symptom of what's happening all across the business spectrum in this country and in the eleemosynary area, like in the little league. We've got too darn many lawsuits out there, very candidly. (Applause.) A recent study found that -- listen to this one -- that in 1989 the cost of defensive medicine, just for physicians' expenditures to be over \$20 billion, or nearly 18 percent of their total costs.

I don't want to get into trouble with the Bar Association -- (laughter) -- but I once quoted to someone that line, "An apple a day keeps the doctor away. He says, What works for lawyers?" (Laughter.) But this is a very serious point, and here's what will work for America: Let's spend as much time building a better health system as we do wrestling with our legal system. We'd do better caring for each other if we stop solving problems by suing each other. (Applause.)

And that brings me to point four. We will cut the outrageous growth of federal health programs -- growth, now -- listen carefully to what I've said -- we will cut the growth of health programs like Medicare so that we can protect the benefits. And our reform program will cut costs, ensure choice, and give everyone -- rich or poor, sick or healthy -- access to health care.

And yet there are those who, like an old dog, refuse to learn new tricks. Instead of a better health care system, they demand a nationalized health system. Very candidly, you want to call it what it is, that means a socialized system. Let me tell you straight. I will not allow those people to give American a prescription for failure. I am going to fight against a nationalized socialized medicine approach for this country. (Applause.)

Folks who want national health care are the same people who said that Tony Gwynn would never amount to much of a hitter. (Laughter.) Now, they can't see the future. They think socialized medicine -- everything provided by the government, totally government-controlled medical care -- is just the ticket for health care in America. And what they're not saying is it's also the ticket for treatment waiting lines.

Anyone who's spent months checking the mail for that income tax refund, or tried to track down a missing social security check, or wasted a day in line at the Department of Motor Vehicles is going to think long and hard before they let the government play doctor. (Applause.) Some say nationalized health care would serve everyone. Sure, it would -- yes, just like a restaurant that serves bad food -- but in very generous proportions. (Laughter.)

Look at countries where socialized medicine violates the number one rule of the medical profession: "Do no harm." They can tell you, nationalized health care is a nationalized disaster. And it's true, socialized medicine plans have increased exports to our country. But what are the exports? I'll tell you: patients coming here for prompt surgery and the finest care in the world. Doctors coming here for better working conditions.

And as long as I am President, we are not -- again, I want to repeat it -- we are not going to go down the road of nationalized health care. And nor will we jump from the frying pan into the fire. I oppose the other government-takeover plan. They call it pay or play, where employers are forced either to

accept a health insurance plan or pay a payroll tax and join the government plan.

The play-or-pay choice costs jobs and money. And it reminds of the guy with the gun in your back, who says your money or your life. Jack Benny used to respond by saying, "I'm thinking, I'm thinking." (Laughter.) Well, we'd better think long and hard about a pay-or-play plan that would make us pay, and pay, and pay -- and drive a lot of small businesses out of work, out of business in the first place. And I'm not going to let Congress try to cure America's health care ailments by binding wounds in red tape.

I have proposed a plan that is sensible and really it will work. And I ask you to help, too. One of the best ways is keeping people healthy -- keeping them healthy. So let me talk just a minute about how we must also change the way we act. And in this field I again salute Dr. Sullivan, our Secretary of HHS who's been way out in front of the power curve on this concept. If you'll forgive me for altering an old saying -- Pete used it a minute ago -- "A pound of prevention is worth a ton of cure."

My good friend, Lou -- Dr. Sullivan -- has said, better control of fewer than 10 risk factors could prevent up to 70 percent of premature deaths, one-third of all cases of acute disability and two-thirds of all cases of long-lasting disability, and, yes, many, many AIDS cases. And if you exercise and eat right and don't smoke or abuse drugs and drink less and avoid risky sexual behavior, you live longer. And America will live better. And let's change the behavior that costs society tens of billions -- this is no exaggeration -- tens of billions of dollars in lost earnings and productivity, treatment related programs, accidents and certainly crime.

Maybe I am a little old-fashioned, but I believe personal responsibility has a lot to do with making America a better country. (Applause.) And now let's also act through another prevention measure, immunization. With health care costs stretched to the limit, we can't afford not to immunize our youngest children.

And last June, Secretary Sullivan and I announced our administration's Immunization Initiative. And our goal was simple, to bring immunization to every American child. This effort pays huge dividends. Every \$1 spent for immunization now for measles, mumps, and rubella saves an estimated \$14 later on.

Consider two facts. Two years ago, measles cases soared to a high of 27,000. In 1989 to '90 alone, measles caused 130 deaths, 60 percent of which were children under five years of age. Because of our Immunization Initiative we now have a national blueprint to bring this needless and tragic story to a speedier end. We're also working on immunization's equivalent of putting a man on the moon -- the one-time, all-in-one vaccine that immunizes a child against all vaccine preventable childhood diseases.

You know, since September of 1991 there's not been a single reported polio case in the Americas. Now, that's an extraordinary immunization accomplishment. We've got to do better. And that's why we've more than tripled the dollars for federal immunization efforts since I took office in 1988 -- '89, January -- (laughter) -- from \$98 million to \$297 million for 1992. And our work will only be complete when we eradicate these terrible diseases not only from our neighborhoods, but from the world's as well.

Let me tell you a story about a family right here in San Diego. Michael and Barbara Baines had always watched closely over the health of their children. And last year they were preparing for the holidays but they were not prepared for the news -- their two littlest stricken by whooping cough. Thank God, two-and-a-half year old Kensington has now left the hospital and little 18-month old Colleen has stabilized. And as Michael and Barbara prayed they asked that other parents would not make the same mistake. And said Michael, "You can't fight something you can't see. You've got to have them immunized, give them as much protection as you can as early as you can."

It's because of families like the Baines that I put forth this message: We need improved immunization. We also need earlier immunization -- not merely of school-age kids where immunization approaches 100 percent, but of our smallest victims, where a year of wait can be a year too long. Kids need to be completely vaccinated in the first and second years of life. Yet immunization rates at two years of age are only 50 percent in many states and often as low as 10 percent in some of the inner cities. We have to change that and I am determined that we will.

It won't be easy to immunize every child. And yet the government will do its part. And the private sector needs to do its part as well. We need to help it try creative ideas like one-stop shopping for health care, and escorted referral for express lane immunization at the clinics. And finally I ask each of you -- mothers, fathers, spouses, friends -- call your health official or physician. Join groups which encourage childhood immunization. Please, please, make sure your child is immunized.

I have outlined today a reform program to make health care accessible and affordable. It's a program which rejects outright the dead end of government-controlled, of socialized medicine -- a program which will be good medicine for the American economy and the American people. And so please help me take this message to the Congress: "He who has health has hope, and he who has hope has everything." I need your support. I need you to be involved. And let's bring quality health care to every American.

You know, when I was little, I read a quote by Saint Francis of Assisi. "Give me a child until he is seven," he wrote, "and you may have him afterward." Through a better system and better behavior, we can ensure that the future will have our children afterward -- hoping, building, dreaming -- as Americans always have and as Americans always will.

Thank you very, very much and may God bless the United States of America. Thank you. (Applause.)

END

10:43 A.M. PST

THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

Friday, February 7, 1992

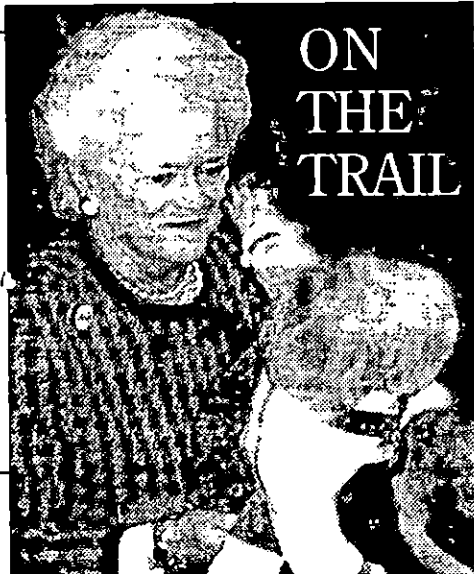
Mrs. Bush	(in folder)
Secretary Skinner	West Wing
Marlin Fitzwater	West Wing
Constance Horner	West Wing
Carol Powers	West Wing
Patty Presock	West Wing
First Lady Detail	Staircase
Karen Connell	Room 58 OEOB
Shirley Green	Room 94 OEOB
Anne Griffith	Room 98 OEOB
Diana Kellogg	Room 157 OEOB
Gregg Petersmeyer	Room 100 OEOB
Marguerite Sullivan	Room 268 OEOB
Carolyn Washington	Room 268 OEOB
Benita Somerfield	hold one copy
Ann Brock	
Julie Cooke	
Joan DeCain	
Laurie Firestone	
Jane Moore	
Susan Porter Rose	
Sally Runion	
Peggy Swift	
Anna Perez	
Sondra Haley	
Jean Becker	
Jay Suchan	(plus originals)

THE WASHINGTON POST

FRIDAY, FEBRUARY 7, 1992

INSIDE

FRIDAY



ON THE TRAIL

*Barbara Bush, ~~X~~
campaigning for her
husband in a Lebanon,
N.H., shopping mall,
hands a baby back to
its father.*



ASSOCIATED PRESS

X Barbara Bush reaching out to shake hands on the campaign trail yesterday in New London, N.H.

First Lady Gets the Third Degree

On the Stump, Barbara Warms Them Up. But George Burns Them Up.

By Donnie Radcliffe
Washington Post Staff Writer

BX CONCORD, N.H., Feb. 6
Barbara Bush got an earful today about the homeless, the poor, the hungry, the unemployed, the economy, taxes, health care, foreign investors and just about everything else voters here are angry about in this recession-weary state.

X Crowds made it clear that "We Like You, Barbara! But You're Sleeping With the Enemy," as one sign put it when she stopped to press the flesh outside the Warner town hall. But the First Lady remained unflappable throughout today's nine appearances, including one here in which she found herself

a captive audience for George Jarrie, a resident of a Salvation Army homeless shelter that she visited, who offered a purposeful and pointed review of some of her husband's policies.

"I firmly believe there should be shelters everywhere," Jarrie told her. "There shouldn't be homeless people on the streets."

Mrs. Bush agreed, saying, "There are a lot of shelters, but we can't get people to go in. What are we going to do about them?"

Jarrie said, "There are plenty of abandoned buildings all over the country that could be revamped and made into shelters for the homeless."

The First Lady responded sympathetically, saying she has friends "working on just that."

The exchange continued, and then he

changed the subject: "And also, there's a lot of people going hungry in this country."

She said, "We have a lot of food kitchens out there, as you well know."

He agreed but added, "I truly believe we should feed the hungry people in this country first, before we go across the water and feed the rest of the world."

Mrs. Bush, appearing at a loss for words, replied, "Well, that's good. Well, I'm glad you told me."

Jarrie then handed her a folder and said it contained "a couple of reports" he and another resident had written. He said he wanted the president to read them "top to bottom, side to side, cover to cover. It tells a lot about how very poor people feel about the way things are going in this country. We don't like it."

The First Lady said she wouldn't be able to give the folder to the president tonight because he wouldn't be home but that she would see that he got it Friday.

Jarrie held her ear the longest, but the First Lady heard from a number of her husband's critics today, either in brief exchanges or in the form of placards as her motorcade wound its way between Hanover to the north and Concord to the south.

"The U.S.A. Can't Survive Four More Bush Years," proclaimed one sign. "How Is a Family That Makes \$35,000 a Year Supposed to Pay \$30,000 a Year for Grandma's Long-Term Care?" inquired another.

(Asked whether the First Lady had seen

See FIRST LADY, B4, Col. 1

the signs, her press secretary, Anna Perez, said, "I think she saw them and didn't see them.")

Earlier, Mrs. Bush stopped at the Dartmouth-Hitchcock Medical Center in Lebanon, which opened about four months ago. It was about the time the president was announcing his health care plan in Cleveland and she took note of that in her remarks, concluding, "All I know about [the plan] is that it will ensure all Americans access to quality, affordable health care."

When she finished, Joe Shortsleeve, a reporter at WBZ-TV in Boston, called out, "There are critics of your program—"

Mrs. Bush broke in: "He hasn't even announced it yet."

Shortsleeve continued, "They say hospitals like this—teaching hospitals—will be hard-hit because they depend a great deal on Medicare and Medicaid and part of the plan is to try to roll in those costs."

The First Lady shot back, "Let's wait and see. I'm not going to speak on a program I haven't even read. I mean, people were criticizing even before they knew what he was going to say. Let's wait and see. Anyone else have a question?"

She looked around and nobody did. "Good," she said, ending the session and drawing a laugh.

And at the end of the day, wrapping up a discussion of economic issues with reporters in Concord, Mrs. Bush said, "One of the horrible things is, peace is costly," an allusion to her husband's foreign policy successes and to the collapse of the communist regimes of Eastern Europe.

One reporter told her that people along her route today had said she represented family and character to them, which he said raised the question of whether character is a proper issue in a campaign.

"Yes, if you're talking about my character," she said, not biting. "Who am I to judge another candidate?"

"Well, I just wondered," he said.

"Well, I'm telling you," she shot back.

Indeed, throughout the day Mrs. Bush drew crowds that responded warmly to her. In Warner, two towns-

men noted the turnout and her way with the crowd. "The biggest thing since the Memorial Day parade," said one.

"Yep. Nobody doesn't like Barbara Bush," said the other.

The last time around she was simply George Bush's wife. This time she's "George's wife," "Millie's mother" and, more importantly, the president's No. 1 surrogate.

Barbara Bush worked hard to get where she is today. Some who remember her back before she became "everybody's grandmother," a favorite campaign quip of hers in 1988, say the cleverest thing she ever did was to create that folksy, down-to-earth image.

Democratic pollster Celinda Lake says Mrs. Bush is essential to her husband's image, "even more critical this time than last. In 1988 she was a key component of communicating the kinder, gentler George Bush. Now she's critical in communicating his message 'I care.'"

Even so, the Barbara Bush of 1992 isn't all that different from the Barbara Bush of 1988. She still jokes about her hair and her age; still evokes her grandmotherly credentials; still insists her political instincts are "about zero"; still calls George Bush "by far the best qualified" candidate to lead this country; still claims she doesn't talk about issues; and still uses some of the same lines she used before.



Concord, N.H., shelter resident George Jarrie, left, speaking his mind to Mrs. Bush.

What is different is that she's dropped her color slide show of famous folks she's met on vice presidential trips, and her campaign wardrobe has a decidedly designer look. (Today she wore a fuchsia and navy blue checked jacket with navy skirt, plus her ubiquitous pearls. And, as she had on an earlier campaign trip to New Hampshire, she put on horn-rimmed glasses to give speeches.) In addition, she can come up with a sound bite to rival even the best of them, and she can reduce critical and intelligent people in both parties to an adoring mass.

And even today not all of the First Lady's encounters involved the issues. Larry LeClair of Lebanon brought along Rumny, a 3-month-old English springer spaniel, to a shopping mall in West Lebanon, hoping he could get her

attention. He not only got her attention, but introducing her to Rumny turned out to be the day's best photo op.

"Ohhhhhhh," she said. "It's too much. Look at the puppy. You giving it to me?" Then, taking note of a crowd of first graders, several of them clutching copies of "Millie's Book," she added, "I like the children better. But that's a beautiful puppy. I mean really pretty."

The flattered spaniel responded by giving her a kiss.

At another point in the day she had an update on Millie, in case anybody wondered.

"We slept cheek-to-jowl last night," she said. "Which is a bone of contention in the marriage."

Then, implying that even Millie was working on the trade imbalance, she said that during the Bushes' visit to Japan, "Millie's Book" had come out in Japanese. "So we're now exporting American goods," she announced.

"I have the feeling people don't care if she's Republican, Democrat or Socialist," says Nardi Campion, columnist for the Lebanon Valley News.

"She sort of grows on you," said Cindy Foley of Jaffrey, N.H., watching Mrs. Bush make her way through a shopping mall in Keene two weeks ago. Like others here, the Foleys' home-building business has hit rock bottom. In two years their sales dropped from 20 houses a year to zero. Mrs. Bush "sort of put the blame on Congress," said Cindy Foley, who added that she doesn't lay all the blame on George Bush. "Mrs. Bush said her husband understands the plight of the working class in the Northeast."

It's an answer the First Lady is apt to volunteer even before someone asks the question. "Do I have a problem with people without jobs and homeless

and hungry? I do, and so does he," she told a group of reporters here on that earlier trip.

The message Foley got was that because Barbara Bush is a "strong, fair, competent woman who would seem to be married to and respect someone who is the same, if you didn't know him at all you'd assume he was a decent guy because she is."

It's what Sheila Tate, Bush's press secretary in his 1988 campaign, calls "the likability factor—nobody is better-credentialed to talk about the human being that George Bush is than Barbara Bush. She reminds people how much they like the Bushes. And that is an important ingredient in reminding them how to vote."

Lake says, "The strongest part of Bush's domestic issues is being supportive of family values. She is key to that. He has very little credibility now, so he says, 'Barbara and I care.'"

That message of caring was reinforced today during Mrs. Bush's visit to the medical center. She looked in on Sara Edgerly, an 11-year-old who fell through the ice on a lake Sunday and was underwater for 36 minutes. The girl's condition has been upgraded from critical to serious.

rect relationship between the lever voters pull when they go to the polls is hard to assess." He doubts that it's essential for a successful candidate to have a wife—not surprising since this year's Democratic field includes two bachelors—but he does believe that a First Lady should not be muzzled.

Barbara Bush is measured in her public comments, but if she is muzzled, those who know her well say she's done it to herself, learning the hard way the damage a caustic tongue could do in a moment of unleashed sourness. Today there are only flashes of the less kind and gentle Barbara Bush who ended up asking Geraldine Ferraro's forgiveness in 1984 for her "rhymes with rich" crack.

When, on her earlier trip, a reporter in Peterborough asked whether she thought Republican challenger Pat Buchanan was "a serious candidate," Mrs. Bush snapped, "I'm not talking about—" then stopped herself from repeating his name. "I'm talking about a serious *good* candidate."

And picking up on Hillary Clinton's gaffe about Tammy Wynette, she reportedly has noted to intimates that George Bush gets "Hail to the Chief" when he's introduced, so from now on it will be just fine with her if anybody wants to play "Stand by Your Man" when she's introduced.

Democratic pollster Mark Mellman says the larger theme of family has been "a traditional refuge of Republicans and particularly of George Bush." He says the First Lady is significantly more popular than her husband.

"People have relied on coattails in the past to win elections," says Mellman. "But I think it's the first time anyone has relied on skirttails."

Ron Brown, chairman of the Democratic National Committee, calls Mrs. Bush "an extraordinary asset to George Bush who certainly helps his candidacy. But whether there's a di-

She said, "My father said, 'It's not to be natural and you're naturally nice,' meaning don't put on airs. 'Never lie, because you always get caught. Look outward, don't look in, don't think of yourself. If someone else is hurting, you should hurt a little bit.'"

At another point she was asked how the campaign was going and in her response continued her recent tendency to dip into the issues while on the stump. "I'm not the politician in the family," she said. "But I'm absolutely convinced George is going to win. He's a very wise man. He looks at the big picture, not the quick fix. Peace is important, foreign trade is important. We don't need isolationists. Any country that can build the Patriot missile and put a man on the moon—well, our workers are the best in the world."

Campaign operatives are nothing if not aggressive in orchestrating her appearances. Two weeks ago in Peterborough, according to the Monadnock Ledger, efforts by volunteers to paper a group of second-graders with Bush-Quayle '92 signs as they waited in the icy rain for Mrs. Bush met with even icier resistance from teachers who objected to the children's "being exploited." In nearby Keene about three-quarters of the estimated 500 "shoppers" present when the First Lady visited a mall were there as a result of a telephone campaign mounted by investment counselor George W. Fellen-dorf and others in the local Republican club.

Today there was a big crowd at the mall in West Lebanon. Former governor Hugh Gregg, the father of current governor Judd Gregg, said the people hadn't been brought out by Republican operatives. "This is no captive audience," he said. "We have to beg a crowd to come out to see the other surrogates, but not her. She's heads above the other surrogates."

"They like George," said Rich Myers, a spokesman in the Manchester Bush-Quayle headquarters. "They love Barbara."

Given the choice, many would say she doesn't sound much different from four years ago in her public appearances.

"I'm absolutely convinced . . . that everything I worry about would be better if we could read," she told Manchester Union Leader reporter Lorna Colquhoun during her earlier swing here. Four years ago Mrs. Bush's worry list included AIDS, teenage pregnancies, the homeless, affordable housing, the environment, parenting and the family. Those concerns are still on her list today.

"We're dropping the ball on family. Where are the mothers, the fathers? Where are the values? We've got to teach them responsibility," she told Keene Sentinel reporter Catherine Patchard.

A little later that day, in Peterborough, the First Lady put it more bluntly.

"We're doing a lousy job as parents," she said.

"Kitchen table talk," as David Blankenhorn, director of the New York-based Institute for American Values, later described it, having watched on C-SPAN. Another master of it was Ronald Reagan.

"It's the language of people who know why they find her refreshing, feel connection," says Blankenhorn. "When

she says we have to be better parents, she's trying to change the culture, which is much harder to change than policy and laws. She's really arguing for parental altruism or parental self-sacrifice."

At the end of today's visit to the medical center Mrs. Bush attended a round-table press conference. The youngest reporter in the group was 12-year-old Sean Donahue of "Kid Radio," a weekly program at WBZ in Boston. He asked her what advice he'd gotten from her parents when she was growing up.

The Winona Times

Vol. 110, No. 4

Thursday, February 6, 1992

Montgomery County 50 Cents

See page

WPS gears up for Mrs. Bush's visit

BY RICKEY HYNUM
Staff Writer

An official from the U.S. Department of Education said Winona will be "the center of the universe" when America's First Lady visits the city public schools Monday.

Barbara Bush, wife of President George Bush, is scheduled to arrive in Winona Monday to honor the city's participation in the "America 2000" educational program.

Winona's dedication to improving education earned Winona the honor of the First Lady's visit.

Mann said Winona ranks in the top five percent of schools across the nation in its dedication to pursuing the goals of "America 2000".

"Winona is one of a handful of communities this size that has been so aggressive. That's one reason why we came here," he told a group of students and teachers last week.

"Mrs. Bush gets a lot of attention wherever she goes," he said. "Winona is going to be the center of the universe for awhile."

According to WPS Superintendent Dr. Denis Smith, Winona went to work on "America 2000" last April, shortly after Bush unveiled his strategy to the nation. She said the city was the first in Mississippi to enlist in "America 2000".

"It is typical of the efforts and dedication of our community to education," Smith said. "Winona has always had a strong belief in educational excellence and a belief in the public schools."

She said the President's plan would work well in Winona. "It's flexible and allows the community to tailor a program that fits the community's needs," she said. "We believe we've come up with a program that will fit us. We've set goals, attainable goals. We're going to get everybody involved."

According to John Anzalone, deputy press secretary to Gov. Kirk Lawdick, Winona's dedication could get the public schools designated as one of President Bush's New American Schools. If Congress approves the President's plan, 535 such schools would be set up across the nation, with start-up funds supplied by a \$1 million federal grant.

"There are still many ifs and it's too soon to say," Anzalone said. "It's a question of whether Congress approves the plan, and the second question is where the pilot schools are located."

But Anzalone added the likelihood of Winona Public Schools qualifying as one of the schools would be "a safe assumption."



America 2000 committee hears of coming visitor

H. Edward Mann of the U.S. Department of Education and Nola Nicholas of Gov. Kirk Lawdick's office brief the "America 2000" student committee as the school readies itself for Mrs. Bush's arrival. Committee members include Willie Ward, Quincy Boskin, Leroy Johnson, N. Monica Caldwell, Arica Hobbs, and Anna Tompkins.

self for Mrs. Bush's arrival. Committee members include Willie Ward, Quincy Boskin, Leroy Johnson, N. Monica Caldwell, Arica Hobbs, and Anna Tompkins.

America 2000 will help schools

Mrs. Bush

Mrs. Bush's deputy press secretary, Jean Hervey, contacted at the White House earlier this week, confirmed Mrs. Bush's appearance, but said details were still sketchy. "All I can say right now is she is coming to Winona to kick off Mississippi 2000, but the schedule is up in the air right now," she said.

Dr. Denis Smith, Superintendent of Winona Public Schools, said she had been informed that Mrs. Bush will appear in a room program at Winona Elementary School Monday. She said all WPS students would get the opportunity to see the First Lady, but the general public's access would be limited, depending on the schedule and logistical concerns.

While specific details are in short supply, H. Edward Mann of the U.S. Department of Education said one thing is certain: the city

First Lady Barbara Bush's appearance here Monday will bring a taste of glamour and excitement to this small town, but what will the "America 2000" program mean for Winona's public schools?

It could mean a one-time federal grant of \$1 million, if Winona becomes one of the nation's 535 "New American Schools" proposed in President George Bush's national education strategy.

Bush has called for the creation of one of these new schools in each congressional district by 1996. Individual communities would be required to revise plans to "break the molds and create their own one-of-a-kind high-performance schools."

America's business leaders would be called upon to sponsor re-

search and development to help the communities create schools that will teach "six national education goals" including World Class Standards in all five core subjects, to be monitored by American Achievement Tests and similar measures.

The million-dollar federal grant would be used to cover start-up costs, while state, local and private sources will be called upon to help create thousands more such schools by the century's end.

The six education goals to be reached by the year 2000 include the following: all children will learn school ready to learn; the high school graduation rate will increase to at least 90 percent; students will leave grades four, eight, and twelve having proven competency in

English, mathematics, science, history, and geography; U.S. students will be the first in the world in science and math; every adult will be literate; and every school will be drug- and violence-free.

To achieve these goals, Bush has proposed that World Class Standards in the five core subjects be adopted nationwide. To monitor student progress and foster good teaching, American Achievement Tests will be given on a voluntary basis, and colleges will be urged to use these tests in admissions.

Bush has also proposed awarding Presidential Citations to outstanding students and Presidential Scholarships to reward academic excellence among needy college students. In addition, he calls for

Governor's Academies established by federal seed money to help principals, administrators, and teachers to improve the schools.

The plan further calls for strengthened adult education programs, differential pay for teachers based on teaching ability, and parental choice allowing parents to pick the schools their children will attend.

The progress of the new schools would be monitored by "report cards," a public reporting system providing maximum information on how schools, school districts, and states are doing, as well as the entire nation.

States will be encouraged to allow individual schools to make decisions about how resources are used, and Congress will be asked to enact legislation allowing states more flexibility in spending its education resources.

Bush's plan has not yet been approved by the U.S. Congress. Measures such as parental choice for schools have already come under criticism by legislators and educators alike.

Mrs. Bush's visit is an honor for Winona

What an honor!

America's First Lady Barbara Bush will be in the state Monday to officially kick off the Mississippi 2000 program, and Winona has been selected for that distinction.

Rarely are small towns graced with the presence of someone of Mrs. Bush's stature much less the good fortune of having an exceptional school system, one that in Department of Education personnel's terms "ranks in the top five percent of school districts in the nation aggressively pursuing the America 2000 program." Winona will have both on Monday.

Barbara Bush is a charming, intelligent woman who knows how to keep her cool in any type of situation. She has delighted many a child reading to them in the classroom, an occasion that no child could soon forget. Perhaps she'll captivate some of Winona's school



By TIM
BRELAND
General Manager

children for a short time with one of her readings.

Moreover, what about the Winona School System—again it is being recognized nationwide for excellence in education.

And as an added bonus, if named one of the 535-plus startup schools in the America 2000 program Winona would be eligible for a possible \$1 million grant for the school system.

What's plus!

For years Winona's schools have

excelled. It hasn't been easy though, and it didn't just fall into the system's lap. It's taken hard work on the part of the school, the children and its leaders.

Former Superintendent Dr. Tom Dulia and Superintendent Dr. Doris Smith have worked diligently to secure the America 2000 honor for their school. They should be commended. Not only have they brought the national spotlight to small town Mississippi, they have done so in a good, positive manner.

Too often our state is recognized for its shortcomings, but not this time, and certainly not in Winona. The school officials set their sights on the America 2000 program when President announced it and would settle for nothing less. On Monday the hard work culminates with Mrs. Bush's visit.

Winona will kick off Mississippi's version of America 2000

and the real work begins, "making America, community by community, school by school, all that it should be."

The program sets six education goals to be reached by the year 2000:

1. All children will start school ready to learn.
2. The high school graduation rate will increase to at least 90 percent.
3. Students will leave grades four, eight, and twelve having proven competency in English, mathematics, science, history, and geography.
4. U.S. students will be the first in the world in science and math.
5. Every adult will be literate.
6. Every school will be drug- and violence-free.

What a Challenge!



Photo by Bill Grade

Above: First Lady Barbara Bush greets 3-year-old Rebekah Schweitzer from Peterborough during her stop at the Town House Thursday afternoon. Below: She addresses the crowd as Gov. Judd Gregg, his sister-in-law, Joyce Gregg, and his wife, Kathy, listen.

First Lady Draws Crowd To Town House

Barbara Promises: George Can Do It

By JOE YONAN
Ledger Editor

PETERBOROUGH — First Lady Barbara Bush shook some hands, kissed some babies, then told about 300 people here last week that her husband is "a spectacular president" who is fighting the nation's economic troubles with the same finesse he used to win the war on Saddam Hussein.

Bush started her 45-minute appearance at the Town House on an informal note, slowly making her way around a cordoned-off crowd and greeting those who arrived early enough to manage a space in the front.

Her speech began informally, too. She facetiously complained about her "fabulous day," which started at 4:30 a.m. and included walking the dogs, reading the papers with George, flying to New Hampshire driving for 1½ hours to Keene, and visiting a shopping mall, senior center, the Dublin Town Hall, and giving two TV interviews and a press conference.

"It really has been a fabulous day. If the weather had been better, they would've scheduled 10 times this many events," she said, prompting laughter from the crowd. "This is a great schedule (former Gov.) Hugh and (Gov.)

'Spectacular' to 9

Judd Gregg planned for me. I wonder if they know how old I am."

She quickly turned toward the political, though, in a stump speech for the president, who is struggling against a downslide in public opinion after he enjoyed months of perceived infallibility in the wake of the war.

"In our 47 years together, he's been right a lot," the first lady said. "I didn't think George had a single surprise for me until Saddam Hussein made the biggest mistake of his life.

"You remember a year ago? '50,000 body bags, gasoline lines, an unending war, high inflation.' That's what people said was going to happen to us," she continued. "The only thing that remained calm through all that was George Bush. I was and am in awe of the way George handled the crisis and himself."

"And the same man is handling the economic crisis of our country today. I may be slightly biased, but I

really feel George Bush is a spectacular president."

Among her husband's accomplishments during his first term, she listed: the Clean Air Act; "two new civil rights acts," including the Americans With Disabilities Act; a transportation bill that is providing jobs, "without busting the budget."

She emphasized his proposal to increase by 127 percent — the largest jump ever — funding to the Head Start program for economically disadvantaged preschoolers. "Why? Because Head Start is one government program that works," she said. "George knows you don't want more government, you want government that's more efficient."

The first lady acknowledged that after the Persian Gulf war, the nation has "a whole different set of problems," but she said George is working to solve them. "Ugly scapegoating is the problem, not the solution," she said. "Budget busting is the problem, not the solution."

"We've done it before, and we'll do it again," she said.

He concluded her speech with the quip, "I want Hugh Gregg to know, the next time he comes to Washington, I'm going to schedule his trip," then went up onto the Town House stage, where she held a hasty press conference that was almost impossible for any of the press to hear.

The Ledger asked if she would admit she is more popular than George. "No, not to me," she said. When asked if the campaign is taking advantage of her popularity, she said, "I was up here all the time four years ago, and I was up here all the time eight years ago. I like New Hampshire."

One reporter said he had heard people saying they were skeptical about President Bush's economic recovery plan. "A lot of people have told me, 'Hang in there, he's doing the right thing, don't get discouraged, it's going to be a slow recovery'" she said.

Reaction: She's Charming, But That Might Not Matter

By JOE YONAN
and MARCIA PATTEN

PETERBOROUGH — She was called "gracious," "wholesome" and "charming," but the jury is still out on whether Barbara Bush's personality was enough to convince people here to re-elect her husband.

ConVal School Board member Muriel Henault said the Bush visit had been "great," and said she plans to vote for President Bush. Her daughter, ConVal High senior Amy Henault, wasn't so sure. Asked who she was going to vote for, she said, "I haven't officially decided."

Senior citizen Irene Davis of Greenfield, "I admire her (Bush) in so many ways. ... She's one of the most caring and loving first ladies we ever had. ... gracious to everyone. This country is in very good hands."

But Democrats Becky and Ed Hamblin, wielding their "New Hampshire Asks" health-care reform fliers, were less impressed. "It was just a photo opp," he said, "her with the silver hair blazing."

While Mr. Hamblin called her "a charming lady," both both said they were disappointed Mrs. Bush brought up the Gulf War as

Reaction to 10

Reaction (from 1)

something she is proud of. "I'm really upset that he is running on Desert Storm and really gliding over what's happened to New Hampshire," said Mrs. Hamblin.

Her husband took issue with the first lady's claim that Bush can take credit for the Civil Rights Act. "It took two vetoes on civil rights before he signed on," he said.

Mrs. Hamblin also criticized Bush's mention of her husband's plans to increase funding to Head Start, saying the program is enjoying its jump in money only now that Bush's polls are showing an unfavorable rating. "You can't tell me that's not political. I'm sorry," she said. "It's still not fully funded."

Why did they come? Mr. Hamblin said he came to hear what was going to be said. He noted, "Republicans should go to Democratic gatherings," and vice versa.

Mrs. Hamblin reported that her New Hampshire Asks sign had been banned from the hall because it was on a stick. "No sticks" is the rule, she said the Secret Service told her.

Gretchen Judd of Peterborough said she'll vote for George Bush, and termed Barbara's visit "wonderful."

Judd owns Ashwood Basket Co., West Peterborough, which gave baskets to both the First Lady and to Governor Judd Gregg's wife, Kathy. The baskets were filled with items from 12 Pine Street catering. The baskets had to be presented to the Secret Service for inspection, and they were then passed on to the recipients.

One trio from South Meadow School seemed downright star-struck.

Erica Ames, an eighth-grader, called Mrs. Bush "a very lovely lady" and said he had not been a Bush/Quayle supporter "until now."

"I came in here very negative, but ... the way that she spoke, so openly, about her husband and how much she wants to help the economy and how much he wants to," she said.

Sixth-grader Tim Begley called the speech "awesome."

"I think it was a lot of fun, when she walked in and she kissed a baby," he said. "It looked real nice. It sort of always looks nice when an old lady kisses a baby."

Interjected Patrick Norton, grade 7: "You might want to scratch the 'old' part."

Begley retreated. "Not an old lady, the first lady."

Kerry Roucoulette, a sixth-grader, called the speech "amazing" but admitted her favorite part was shaking Mrs. Bush's hand. "I've always wanted to meet her. It was neat to see her. I've never met a famous person before."

The Rev. David Van Strien said he likes Mrs. Bush "better than Nancy, better than Pat Nixon."

But as for her speech, Van Strien, who says he plans to write in Ralph Nader on the Democratic ballot, said: "She came to show the flag. I don't think it dealt with the issues that are facing this state. ... She always makes a good appearance. She deals with people very well, better than her husband."

Youngsters Ignored After Wait In Rain

By MARCIA PATTEN

PETERBOROUGH — Only three of the 19 second-graders who stood in the freezing rain for a chance to see Barbara Bush last Thursday would do it over again if they knew they were only going to see her for five seconds, their teacher, Enid Smith-Powley, told the Ledger.

Poor communications and a misunderstanding involving political signs and buttons are the reasons for the problem, both Peterborough Elementary School Principal Maurice LeFlem and local Bush visit coordinator Joyce Gregg agreed later.

Thursday morning when the ice storm closed Keene schools,

where Bush had been scheduled to meet with children, LeFlem was called by a Manchester campaign worker and asked if students would like to greet the first lady in front of the Town House, LeFlem said. No other people were allowed to stand on the brick plaza in front of the building as the first lady entered.

According to LeFlem, he was told Bush would stop and greet the children.

Some of the children had rehearsed the names of their favorite books and others had taken books with them in hopes of getting the first lady's autograph.

"The kids were looking forward

Kids Wait to 9

Kids Wait (from 1)

to getting bookmarks," said second-grade teacher Enid Smith-Powley. Bush, who promotes literacy, commonly passes out bookmarks when she visits with school groups.

It didn't happen that way, however, because the first lady, according to parent Suzan Kukish, "just waved and shrugged" as she walked by the children. "The kids walked down here in the rain to greet her," Kukish angrily told the Ledger.

Prior to the first lady's arrival, "Bush-Quayle '92" signs were passed out for the 80 children (one second grade and three fourth grade sections) to hold.

The teachers decided the children "should not be exploited," according to fourth grade teacher Carol Magher, and proceeded to collect the signs.

The Bush campaign workers "disagreed vehemently" when the teachers took the posters away from the children, she said.

Magher said that, although the campaign workers "certainly were forceful," she was not angry, but more surprised.

After the signs were taken away from the children, the campaign workers demanded that two teachers who were wearing Tsongas buttons remove them. Magher complied, and Smith-Powley said she would conceal hers. "I did feel I had the right to wear a political button," Smith-Powley told the Ledger. Magher said she had been wearing her button for quite awhile, and had not thought about it until it was pointed out by the Bush campaign workers.

Gregg said that she had spoken briefly with the teachers, asking

them if they didn't think it an insult to the first lady to be wearing Tsongas buttons.

The exchanges between the teachers and the campaign workers were said by some witnesses to be heated, with some people becoming angry. "They never asked us (if they could pass out the signs) and when we questioned it, they argued," Smith-Powley said.

The students were unaware of the adults' anger over the situation, she said.

After the signs were taken away, the campaign workers told the teachers to let the children make up their own minds about whether to hold the signs. This suggestion wasn't accepted by the teachers.

Smith-Powley said she was concerned about letting the children hold the signs without parental permission. The teachers were not asked ahead of time if the children could hold the signs, she said.

"We would not have gone had we not been led to believe that it was more (than a walk-by)," Magher said.

"I had been told she would stop," Smith-Powley said of the children's disappointment in not getting to speak with the first lady, adding, "I do wish they would send us bookmarks."

The episode was a learning experience for the children, Smith-Powley said, because the children saw people with opposing points of view settle a disagreement in words.

She said she discussed with her second graders about what they are seeing when they watch a "five-second blurb" on television, and

whether or not it is real.

Also discussed was whether everyone carrying a sign actually supports what the sign says, and whether people should accept signs or stickers just because they are passed out.

She said that only three of the 19 students in the class said they would do it over again. The children were out of class for about an hour and 15 minutes, Smith-Powley said.

LeFlem said there was a misunderstanding in the campaign organization. He was promised by a man in Manchester that the children were to be sheltered in the alcove in the front of the Town House and that "she would take the opportunity to say hello."

He called the incident a "big misunderstanding," explaining that the Manchester Bush worker had promised something that could not happen. LeFlem said that after receiving the invitation he told the school's staff that the children would have an opportunity to meet the first lady, and that those who wished to do so could go on a walking field trip.

The children were allowed inside the building only for a few minutes as shelter from the rain while they were waiting, but could not be allowed to meet her inside, as he though had been the plan, LeFlem said.

Gregg, who organized the local visit, said she has spoken to Hugh Gregg so the mistake won't happen again, she said.

"I really feel badly so many children were disappointed," she concluded.

Thu 6-Feb-92 19:14 EST

First Lady Visits Hospital During Campaign Visit

LEBANON, N.H. (AP) — Barbara Bush visited an 11-year-old girl Thursday who was recovering from a truck accident on an icy lake, and said the president was too busy to campaign steadily against his challengers.

Mrs. Bush said she would pray for Sarah Edgerly, who was trapped in her family's truck when it crashed through the ice of Merrymeeting Lake on Sunday.

The first lady, on her third New Hampshire campaign visit, also acknowledged her husband faced a significant challenge from Republican Patrick Buchanan, who has been campaigning constantly the last few weeks.

Asked if Bush could handily beat Buchanan in the primary Feb. 18, Mrs. Bush replied: "No, no, because he doesn't have the time. He's working for a living."

Doctors say Sarah was recovering, but they didn't know if she suffered permanent damage.

"I saw the girl. She was beautiful," Mrs. Bush said during a visit to Dartmouth-Hitchcock Medical Center in Lebanon. "I had heard before that she had responded to the voice of her brother and a little friend and everybody's just very thankful."

ELLEN GOODMAN



Speaking of the Waltons, Good Night, George-Boy

SUSPECTED TROUBLE when George Bush told a meeting of religious broadcasters, "We need a nation closer to the Waltons than the Simpsons." Until then, many families thought they were living in a depression, but they didn't realize it was the president's plan.

Then came the State of the Union address and it was all clear. Yes, ma and pa, George-boy is leading us back through the haze of nostalgia to those wonderful yesteryears of the 1930s.

This is what he had to offer families. A "commission" on urban families. A bit of small change for the middle class. A touch of welfare-bashing for the poor. An invocation of Barbara as the mother-of-us-all: "When Barbara holds an AIDS baby in her arms and reads to children, she's saying to every person in this country, 'family matters.'"

Proof that family matters to George? The two big items for the budget reflect the administration's belief that American families share the innocence of the Waltons and the math skills of Bart Simpson.

The much-touted \$500 increase in the tax exemption for dependents would add \$150 for the family of four in the 15 percent bracket and \$280 for those in the 28 percent bracket. Not much, but like nearly everything else in the Bush budget, it gives more to the people who have more.

The cut in capital-gains taxes might actually help the Waltons — the cast now living on residuals in Beverly Hills. Sixty percent of the people who benefit from a capital-gains cut may earn less than \$50,000 a year, as George claims. But two-thirds of the money goes to the wealthiest 1 percent.

Running through the speech, I was struck by an utter disconnect between oratory and reality. It's as if he met a New Hampshire family facing foreclosure and offered them hedge clippers. Or, rather, a tax deduction on hedge clippers.

But there was another disconnect, between morals and economics. When the president extolled the virtues of the Waltons, he wasn't thinking about their bank account but their moral strength.

Ask Americans to free-associate from the word "morals" and their linguistic path will range from sex to drugs, rock 'n' roll, and blondes with black roots. They won't talk about economic policy and morality in one breath. Anyone who does so is accused of such retrograde things as fanning "class warfare."

Ask Americans next to talk about strong families and they will describe loving parents and values, as if economics played no part. We think of morals as a private, an intimate family affair, and economics as public and impersonal.

On Walton Mountain, that 1970s fiction of the 1930s, the family grew stronger in tough times. In real life, economics has as much power to weaken the family as any internal moral corrosive.

There is an intricate and daily interaction between losing your job and losing your self-respect, losing your mortgage and your temper and your marriage — ask anyone who has been sucked into this black hole. But many Americans remain silent and embarrassed about this truth, convinced that any family failing is their own.

The most outrageous moment in the State of the Union speech came when the commander in chief of this economic disaster described the opponents of his capital-gains tax cut. "You kind of remind me of the definition of the Puritan," he said, "who couldn't sleep at night worrying that somehow, someone, somewhere was out having a good time." A good time? Is the problem envy? Or is it fairness?

There are honest differences about economic solutions. But the questions must involve more than numbers to be crunched. Economics is at root a matter of public morality, right and wrong.

Spare me the Waltons. Spare me the disabling fantasy that families grow stronger in hard times. Any leader who can look at family life in this economy, offer so little hope, and then accuse people of envy, deserves only one response in the voting booth: Good night, George-boy.

TOMORROW IN NEW YORK NEWSDAY'S EDITORIAL PAGES

Is Macy's Going the Way Of
THE HULA HOOP?



A Seventh Avenue c.e.o. suggests how the store — and Detroit, for that matter — can survive in an era glutted with goods.

Thu 6-Feb-92 17:06 EST

BUSH OUTLINES NEW HEALTH PLAN, DEMOCRATS ATTACK

By Steve Holland

CLEVELAND, Reuter - President Bush Thursday proposed to help up to 95 million Americans meet soaring health care costs with federal tax breaks, plunging into a hot election-year fray with a plan that drew immediate fire from Democrats.

"In these hard times, we simply cannot accept the fact that one in every seven Americans is uninsured," Bush said in unveiling his plan to civic leaders, who gave him polite applause.

His proposal would help offset medical insurance premiums with tax breaks that senior officials said would cost \$35 billion a year once they are fully operational in five years.

In essence, the plan -- which would cost about \$100 billion in the five-year phase-in period -- would maintain America's current system of free-enterprise medicine while giving citizens some extra cash to pay for it.

Bush said 95 million people ranging from poverty level to \$80,000 in annual income would receive up to \$3,750 per year to pay for medical insurance coverage from a system of tax vouchers, credits or deductions. About 25 million live in households that would be entitled to the full credit.

"My plan will preserve what works and reform what doesn't," he said. "And above all, it will ensure every American universal access to affordable health insurance."

Bush claimed Democratic plans would amount to nationalized health care -- although those proposals also leave medical practice as a private industry -- and would offer "a cure worse than the disease." He said a nationalized system could cost \$250 billion to \$500 billion a year in new taxes.

"I don't believe people want to be shoveled into some new health care bureaucracy," said Bush, who offered no specific method of paying for his own system of tax breaks.

Briefing reporters later in Washington, Health Secretary Louis Sullivan said the \$35 billion cost of the program, including tax benefits, could be paid for without new taxes or politically difficult cuts in government-funded Medicaid for the poor and Medicare for the elderly and disabled.

"There will be no tax increases whatsoever. We are targeting self-sustaining cost control ... There will be no reductions in Medicaid and Medicare spending. We will be slowing the rate of growth increase every year," he said.

Asked for specifics on how health care costs would be controlled, Sullivan said the specifics will have to be worked out by Congress. He said: "Savings will cover the \$35 billion annual cost ... The money is in the system."

The crisis in soaring U.S. health care costs has become a central issue in the 1992 presidential election campaign and Democratic congressional leaders began bashing Bush's proposal hours before he unveiled it.

"The president's plan today is totally deficient. It is a non-plan," said House Democratic Leader Richard Gephardt.

Nebraska Sen. Bob Kerrey, campaigning in New Hampshire for

the Feb. 18 ballot that opens the presidential primary season, called the Bush plan "a sham, a counterfeit bill."

In Concord, N.H., Barbara Bush was met by picketers unhappy with the proposal and demanding the White House provide more for long-term care.

Bush slugged back in Cleveland, ripping into an alternative Democratic leadership plan known as "pay or play," under which employers would either buy health insurance for workers or pay taxes to finance a government insurance fund.

"Strip away the rhetoric and 'pay-or-play' just creates a back-door route to nationalized health care," Bush said.

Bush also proposed to:

- reduce the cost of health insurance through market reforms such as pooling smaller businesses and individuals into larger groups so they can receive the same health coverage enjoyed by large employers.

- reduce administrative costs of health care by streamlining paperwork.

- reform the system of legal liability to limit malpractice claims that drive up health-care costs.

Insurance industry analysts said Bush's proposal is better for insurers than other plans, but won't do much to reduce insurers' costs or what policyholders pay for coverage.

Some polls have shown that Americans rate the health insurance crisis the second most worrisome economic issue facing the country, trailing only unemployment.

A Washington Post-ABC News poll released earlier this week found Americans trust the Democrats over Bush, by a 60-to-29 percent margin, to reform the health care system.

The White House only seriously embarked on reforming the current system after Democrat Harris Wofford upset Republican Dick Thornburgh in a Senate race in Pennsylvania last fall. Wofford pledged to seek health care for all.

The ideological gap between Republicans and Democrats on the issue will make it hard for two sides to reach a comprehensive agreement during this election year.

Most Americans get health coverage through their jobs. But some 37 million have no insurance coverage and are not eligible for government-sponsored Medicare or Medicaid plans.

Many Americans also fear losing health coverage if they change jobs, because of an insurance practice of refusing to provide new coverage for previously existing medical problems.

Bush said his plan would stop that practice.

"My plan will give Americans a greater sense of security -- help ease the fears that so many Americans have that changing jobs will cost them their health coverage," he said.

Thu 6-Feb-92 16:42 EST

Clinton Defends Self On Vietnam Draft Issue

By JILL LAWRENCE

Associated Press Writer

MANCHESTER, N.H. (AP) — Democratic presidential contender Bill Clinton on Thursday denied he tried to avoid the Vietnam draft, while his Democratic rivals said the issue raises questions about his character.

Clinton, campaigning in the leadoff presidential primary state, said he gave up a draft deferment in the fall of 1969 after just two months because "I didn't think it was right" to keep it.

He was responding to a published report that Clinton avoided being called up during a crucial two-month period by agreeing to sign up for up a reserve officers training program that he never actually joined.

The draft issue commanded considerable attention as four major Democratic presidential contenders campaigned across New Hampshire with less than two weeks to go before the kickoff Feb. 18 primary.

President Bush, meanwhile, dispatched his top surrogate to New Hampshire to campaign on his behalf — his wife, Barbara. Mrs. Bush chided Congress for not enacting Bush's economic proposals, saying the president "has had three of the most frustrating years of not getting the Congress to act on anything."

The draft controversy arose just as the Clinton campaign was recovering from unsubstantiated accusations by an Arkansas woman who said she had a 12-year affair with the governor. Clinton denied the charges.

"The last thing Bill Clinton needs now is another story questioning his veracity and integrity," said Iowa Sen. Tom Harkin, a Democratic candidate who served as a Vietnam-era cargo pilot based in Japan.

"I think it's going to hurt him," Harkin said. "I think it's going to raise further questions."

"I hope he's telling the truth but I've got some doubts," said Nebraska Sen. Bob Kerrey, another rival, who lost part of a leg in Vietnam and won the Medal of Honor for heroism there. He said Clinton's explanations "just don't have the ring of truth."

Former Massachusetts Sen. Paul Tsongas tried to shift the focus elsewhere, saying the draft issue would distract from more important matters.

"My candidacy only has a lift if the economy is the issue," he said.

Tsongas released a new TV ad in which he dismisses election-year tax-cut plans supported by some of his rivals as "gimmicks" that won't help the economy.

Harkin released a child-care proposal that calls for a family leave law, subsidizing more guidance counselors for elementary schools and expanding nutrition programs for women and children.

Clinton, too, field voters questions about education, health care and jobs. But he was besieged with questions about his draft status in the late 1960s.

The Wall Street Journal on Thursday quoted a former draft board official, Opal Ellis, a Republican, as saying Clinton told her he was too well-educated to be drafted and would "pull every string

he could think of" to avoid it.

Clinton said he had "absolutely no conversations with her" and that the reported exchange "just didn't happen."

Clinton said he was granted a four-year deferment when he agreed to join the ROTC but put himself back into the draft pool in the fall of 1969 and fully expected to be called up.

"Nearly everybody else was being called," he said. "I had friends who were wounded there. Four of my high school classmates died there."

A new lottery system based on birth dates was instituted shortly after Clinton changed his draft status and his number, 311, was never called.

Clinton said he had no way of knowing what his number would be.

"The key issue is that I made myself available for the draft," he said.

Clinton also denied he pulled strings to get the deferment, saying he was from "an ordinary family ... I certainly had no leverage."

Vietnam-era service is not a new issue either to Clinton, who answered similar questions during his gubernatorial races, or in a national campaign. Vice President Dan Quayle's participation in a National Guard unit during the war was debated extensively in 1988.

Clinton graduated from Georgetown University in 1968 and went to Oxford University as a Rhodes scholar but was still eligible for the draft because graduate school deferments had been eliminated in 1967.

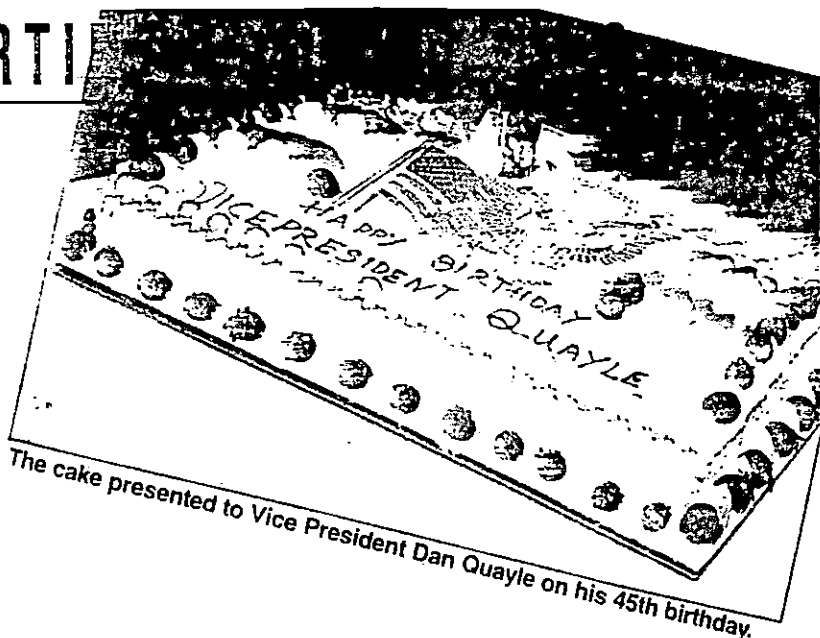
He returned to Arkansas in the summer of 1969 and took officer's training exams for the Air Force and Navy, which he failed because of vision defects and hearing problems. He agreed orally to join the ROTC program and in August 1969 received a deferment.

But Clinton never attended law school at Arkansas or participated in ROTC. Instead he went back to Oxford for another year and then enrolled at Yale law school.

FRIDAY, FEBRUARY 7, 1992

LIMPSE AT PEOPLE, PART I

A 'Quayle bash' The VP could not help but enjoy



The cake presented to Vice President Dan Quayle on his 45th birthday.

Oklahoma management consultant Ira Phillips is tired of "Quayle Bashing."

So Tuesday night at Vice President Dan Quayle's 45th birthday when he paid \$1 for a bumper sticker that said so.

"He's doing a good job," said Mr. Phillips, who is planning to put the sticker on his Oldsmobile Delta 88. And what's his dream gift for a vice president?

Long pause. "A club," he said, finally.

Oh? A 9-iron for the golf aficionado?

No — just an ordinary club. "so can whip up on all the people that criticize him."

The hard-driving guest of honor is just about to arrive but first 800 guests had to be coached on how to behave properly in front of the vice head-of-state.

Only one clap per honored guest, instructed James J. Carey, president of the Conservative Network, the group co-sponsoring the J-a-person event with the Friends of Dan Quayle.

And when singing "Happy Birthday" at that tricky fill-in-the-me part?

"Why don't we sing — so we're looped into this — 'Happy Birthday, Mr. Vice President.'" Mr. Carey suggested.

Elaine Crispin — former Nancy Reagan press secretary turned Office of National Drug Control Policy communications director — is up front during this, daintily singing "Happy Happy" in curlicue script on the huge Quayle birthday card.

She had some gift ideas for the president too.

"Well, he's going to be out campaigning a lot, so I'd buy him a pair of shoes," she said.

Oh? Like Gucci? Or Lobb?

"Comfortable," she deftly replied, her press secretary reflexes still very much intact.

Finally the magic moment arrived. ("Best buy in town!") Impetuous Fairfax County Board of Supervisors Chairman Tom Davis, who crowded up to the rope to see the arrival of his fellow "baby-boomer conservative.")

Under an arch of red, white and blue balloons, the vice president appeared with wife, Marilyn, at his side. She was nattily attired in a pink-and-blue checked suit.

Both were smiling, particularly after the introductory ode from friends of Quayle President John Q. Piper: "The mist has begun to clear, and the nation is beginning to take notice of Dan Quayle!"

"Can I brag a little bit about Marilyn?" Mr. Quayle joked after climbing the podium. "What a great campaigner she is!



Marilyn Quayle looks on approvingly as her husband blows out the candles. Standing in the background from left: I. Kuang Liang, Ed Piper and Tim Bobbitt.

■ "Not only are you my friends, you are my true friends." Mr. Quayle told the crowd. "You were with me when I needed you and I'll never forget it."

"And I'll tell you something else," he said of the woman standing beside him. "Marilyn likes Tammy Wynette."

(This, of course, was a reference to the cutting remark made by Hillary Clinton, wife of Democratic presidential candidate Bill, on CBS's "60 Minutes" last week.)

The vice president was then presented with a gift from his support group — a pamphlet called "Dan Quayle: Behind the Myth," containing excerpts of all the nice

things news organizations such as the New York Times and Time magazine have said about him lately.

Mr. Quayle grew serious when he spoke of the late Republican National Committee Chairman Lee Atwater, whose attendance at the vice president's birthday celebration last year was his final public appearance.

His widow, Sally Atwater, was in the audience with her 6-year-old, Ashley, in tow. ("Great turnout!" Mrs. Atwater said brightly. And then, "We're just taking one day at a time.")

"Not only are you my friends, you are my true friends," Mr. Quayle told the crowd. "You were with me when I needed you and I'll never forget it."

The vice president's true friends included such Republican members of Congress as Idaho Sen. Larry Craig, Illinois Rep. Phil Crane, Tennessee Rep. John Duncan, New York Rep. Hamilton Fish, Connecticut Rep. Gary Franks, New York Rep. Ben Gilman, Iowa Rep. Jim Lightfoot, New York Rep. Raymond McGrath and Kansas Rep. Dick Nichols and the new White House Domestic Policy Adviser Clayton Yeutter.

After the speeches, Mr. and Mrs. Quayle stayed until there were no

hands left to shake.

Guests eagerly moved up to meet the couple, who would depart the next day for an eight-nation tour of Europe and the restored Baltic republics. After a while the crowd parted and the Secret Service began propelling them out the door. There was only enough time to ask one question of the Birthday Boy.

Does Mr. Vice President feel old?

"Not yet," Mr. Quayle said with a chuckle.

— Anne Gower



Birthday sponsors included the Conservative Network's director Arlene Brooks, and President Jim Carey.

Chicago Tribune, Thursday, February 6, 1992

Quayle, wife en route to Baltic states

HELSINKI, Finland—Vice President Dan Quayle, traveling with his wife, Marilyn, arrived in Finland late Wednesday en route to two days in Estonia, Latvia and Lithuania to underscore U.S. support for the new democracies. This is the highest-ranking U.S. mission to the three Baltic states since they achieved independence from the Soviet Union last year.

DATE:

February 7, 1992

DAILY NEWS CLIPS

The Washinton Post

The Washington Times

The Wall Street Journal

USA Today

The New York Times

Office of Media Affairs

FRIDAY, FEBRUARY 7, 1992

The Washington Post

Inequity Seen in Delay Of Annual Pay Raises

By Dana Priest
Washington Post Staff Writer

For the Record

From an interview with Patrick Buchanan on ABC's "Good Morning America" Feb. 4:

Q: Is it a campaign of protest, or do you really want to win this, Pat?

A: You know, Charlie, the message, basically, that we want to send is, "Read by lips, Mr. Bush, no second term. Buchanan for president." . . . But there's another side to this campaign. I am preaching a vision of economic freedom.

Q: Before I move to the message, Pat . . . is New Hampshire make it or break it, as far as you're concerned?

A: It is critical . . . no doubt about it. If we do well here in New Hampshire, if these folks up here give us their confidence and their votes, I think we can ignite America.

Q: I've read what you've been saying. I know what you're against. I'm not absolutely certain what you're for when you talk about America first, when you talk about economic freedom.

A: First thing I'd do is freeze federal spending . . . cut regulations across the board, cut federal salaries and go for tax cuts across the board. In the longer term . . . we have got to make American competitive again.

Q: Pat, you'd freeze discretionary spending and you'd cut taxes—all you've done is laid more money on the deficit.

A: You have got to take money away from the government and give it back to people and to businesses and their institutions if they're going to start creating jobs. . . . As for trade barriers . . . we're not going to let foreign governments target one industry after another, knock it off with subsidies and dumping and then move on and target another.

In the new budget, federal employee advocates say, President Bush has proposed undoing what it has taken years for Congress, the Office of Management and Budget and the Office of Personnel Management to agree on, namely creating a pay system that treats all employees equally.

Proposals in the budget released last week would delay federal employees' annual pay raises for three months—but the delay applies only to civilian employees of the executive branch, not to uniformed military employees, not to congressional staff members and not to those who work for the judiciary.

"We really felt we had dealt with these problems and hurdles and gotten federal pay out of the political arena," said John Sturdivant, president of the American Federation of Government Employees, the largest federal employee union. "This is no way to run a government, but it's a way to run a good political campaign," he said, referring to Bush's reelection effort.

The proposal may have trouble on Capitol Hill, where federal employee advocates, including Rep. Steny H. Hoyer (D-Md.), the House leadership's fourth-ranking Democrat, says it unfairly targets one group of employees.

"Everyone ought to be asked to make sacrifices in these difficult economic times," Hoyer said, "but these cuts target federal employees unfairly."

Under the proposal, which Congress must approve by passing new legislation, blue- and white-collar workers would receive their annual pay raise in April 1993, instead of January. The move would save the government \$460 million, according to the president's budget.

If enacted, a civilian federal employee who earns about \$33,700 in 1992 would lose about \$290 of his or her 1993 annual pay raise because of the delay.

Under current law, congressional and judiciary employees are supposed to receive their raises at the same time as other federal workers. The annual pay raise is based on the Employment Cost Index, the average increase in labor costs across the country.

Administration officials said the

president, by law, is not allowed to tinker with the budget requests of the legislative and judicial branches, including salaries.

But the officials also noted that nowhere in the president's proposal, which accuses the Democrats of wasteful spending, is there even a recommendation that Congress should also delay pay raises for the other branches.

Administration officials said military personnel are excluded from the delay because of cuts already taking place in downsizing the post-Cold War forces.

In crafting its proposal as it did, according to staff on Capitol Hill and administration officials who follow pay issues, the Bush administration has effectively put the political ball into Congress's court: It will be up to Congress to delay its own pay or—perhaps more politically controversial—not to delay its own pay.

OPM Director Constance Berry Newman, who was a major player in negotiating the pay reform legislation that sought to treat all employees alike, said she suspected Bush's decision not to include Congress or the judiciary in the pay delay was "a political call." She said, "You don't go around messing with another branch's budget if you're concerned about controlling your own branch."

Newman has been criticized by federal employee advocates for not being able to protect employee pay and for being surprised by OMB's swipes. Hill aides briefed by OPM staff about the budget said the staff did not know the details of some of the key proposals.

Newman said she "was never confused" about the proposal and was not taken by surprise. "I'm not tickled about" the delay, she said. "I had many conversations [with OMB] about where we could make savings, and the package we have is where we came down."

Bush has also proposed saving \$5.1 billion over five years by increasing the amount the 1.7 million employees enrolled in the Civil Service Retirement System must pay for the program. The cost to employees would go from the current 7 percent of their annual income to 8 percent in 1993 and 9 percent in 1994.

The increase in insurance payments would cost an employee earning the \$33,700 in 1992 at \$251 that year.

FRIDAY, FEBRUARY 7, 1992

The Washington Post

Can't Afford To 'Buy American'

I don't believe it. First the president tells us how he's going to help Americans by giving us a capital gains tax break when we don't have any capital, much less any gains. And now Congress is going to help us buy U.S.-made cars with a tax credit.

As someone recently said, "They just don't get it!" We are in a recession. We are not buying new cars, because we cannot afford them. We don't need tax credits. Anyone who can afford a new Chrysler, Lincoln or Cadillac can go buy one.

The reason Americans buy foreign cars is that they are better than U.S. cars—at any price. Congress and the president could do us all a favor: Quit insulting our intelligence and reduce the deficit by reducing spending. The smoke-and-mirrors routine won't work again.

GORDON L. THORPE
Vienna

The President's Health Care Plan

THE DEFECTS of the health care plan that President Bush presented yesterday are easier to toll than its virtues. The all-too-familiar, contradictory problems with the current system are that it costs too much—more than \$1 of every \$9 that Americans now spend—yet still leaves out a seventh of the population. The president tries to solve these problems while keeping the federal government at too great a distance. That leaves his cost-control proposals unconvincing. The benefit he offers the uninsured may meanwhile not be large enough, yet for fear of offending voters in an election year he forbears from saying how he would finance even that. The clearest suggestion he makes is to finance part of the increased care for the poor by cutting the main existing form of care for the poor: He proposes sharp restraints on future federal Medicaid payments.

In an effort to preserve as much as possible of the present private health insurance system, the president would mainly aid the uninsured by giving them an indexed voucher. In the first year the maximum voucher would be \$3,750 for families of three or more below the federal tax threshold, which is about the poverty line. Each state would work out a basic insurance policy that such a voucher could buy and see that some private insurers offered it. Administration officials said that the vouchers would be enough to buy adequate insurance; critics said they wouldn't, particularly in future years and in the way the administration proposed to phase them down for just above the poverty line.

The administration estimated the cost at \$35 billion in the fifth year when the plan would be fully implemented. At one point it was proposing to pay in part by reducing a tax break that now goes to the better-off insured (in that employer-paid health insurance premiums aren't counted as employee income) and in part by putting costs controls on Medicare as well as Medicaid—the program for the elderly as well as the program for the poor. In the end it turned fuzzy as to all but the poor, and it was a little fuzzy even as to them. One problem is that the kind of limit the president seeks on federal Medicaid payments would add to the pressure on the states. The president and his advisers say the states could and likely would avoid the problem by turning to so-called managed or fixed-price care for Medicaid recipients. They rely on the spread of such care as a principal method of cost-containment in the private sector and Medicare as well. The critics say, our guess is rightly, that it's too weak a reed on which to count so heavily.

Other aspects of the president's plan are good ideas. They include much heavier regulation of private insurance to increase the likelihood that small businesses can afford it and people switching jobs won't lose it. These are also elements in most of the Democratic plans that the president attacked yesterday as heavy-handed. The great difference is that most of them would have the government control costs and extend coverage to the uninsured more directly. That's the arena for the debate that has now been joined.

First Lady Gets the Third Degree

On the Stump, Barbara Warms Them Up. But George Burns Them Up.

By Donnie Radcliffe
Washington Post Staff Writer

CONCORD, N.H., Feb. 6

Barbara Bush got an earful today about the homeless, the poor, the hungry, the unemployed, the economy, taxes, health care, foreign investors and just about everything else voters here are angry about in this recession-weary state.

Crowds made it clear that "We Like You, Barbara! But You're Sleeping With the Enemy," as one sign put it when she stopped to press the flesh outside the Warner town hall. But the First Lady remained unflappable throughout today's nine appearances, including one here in which she found herself

a captive audience for George Jarrie, a resident of a Salvation Army homeless shelter that she visited, who offered a purposeful and pointed review of some of her husband's policies.

"I firmly believe there should be shelters everywhere," Jarrie told her. "There shouldn't be homeless people on the streets."

Mrs. Bush agreed, saying, "There are a lot of shelters, but we can't get people to go in. What are we going to do about them?"

Jarrie said, "There are plenty of abandoned buildings all over the country that could be revamped and made into shelters for the homeless."

The First Lady responded sympathetically, saying she has friends "working on just that."

The exchange continued, and then he

changed the subject: "And also, there's a lot of people going hungry in this country."

She said, "We have a lot of food kitchens out there, as you well know."

He agreed but added, "I truly believe we should feed the hungry people in this country first, before we go across the water and feed the rest of the world."

Mrs. Bush, appearing at a loss for words, replied, "Well, that's good. Well, I'm glad you told me."

Jarrie then handed her a folder and said it contained "a couple of reports" he and another resident had written. He said he wanted the president to read them "top to bottom, side to side, cover to cover. It tells a lot about how very poor people feel about the way things are going in this country. We don't like it."

The First Lady said she wouldn't be able to give the folder to the president tonight because he wouldn't be home but that she would see that he got it Friday.

Jarrie held her ear the longest, but the First Lady heard from a number of her husband's critics today, either in brief exchanges or in the form of placards as her motorcade wound its way between Hanover to the north and Concord to the south.

"The U.S.A. Can't Survive Four More Bush Years," proclaimed one sign. "How Is a Family That Makes \$35,000 a Year Supposed to Pay \$30,000 a Year for Grandma's Long-Term Care?" inquired another.

(Asked whether the First Lady had seen

See FIRST LADY, B4, Col. 1

FIRST LADY, From B1

the signs, her press secretary, Anna Perez, said, "I think she saw them and didn't see them."

Earlier, Mrs. Bush stopped at the Dartmouth-Hitchcock Medical Center in Lebanon, which opened about four months ago. It was about the time the president was announcing his health care plan in Cleveland and she took note of that in her remarks, concluding, "All I know about [the plan] is that it will ensure all Americans access to quality, affordable health care."

When she finished, Joe Shortleeve, a reporter at WBZ-TV in Boston, called out, "There are critics of your program—"

Mrs. Bush broke in: "He hasn't even announced it yet."

Shortleeve continued, "They say hospitals like this—teaching hospitals—will be hard-hit because they depend a great deal on Medicare and Medicaid and part of the plan is to try to roll in those costs."

The First Lady shot back, "Let's wait and see. I'm not going to speak on a program I haven't even read. I mean, people were criticizing even before they knew what he was going to say. Let's wait and see. Anyone else have a question?"

She looked around and nobody did. "Good," she said, ending the session and drawing a laugh.

And at the end of the day, wrapping up a discussion of economic issues with reporters in Concord, Mrs. Bush said, "One of the horrible things is, peace is costly," an allusion to her husband's foreign policy successes and to the collapse of the communist regimes of Eastern Europe.

One reporter told her that people along her route today had said she represented family and character to them, which he said raised the question of whether character is a proper issue in a campaign.

"Yes, if you're talking about my character," she said, not biting. "Who am I to judge another candidate?"

"Well, I just wondered," he said.

"Well, I'm telling you," she shot back.

Indeed, throughout the day Mrs. Bush drew crowds that responded warmly to her. In Warner, two towns-

men noted the turnout and her way with the crowd. "The biggest thing since the Memorial Day parade," said one.

"Yep. Nobody doesn't like Barbara Bush," said the other.

The last time around she was simply George Bush's wife. This time she's "George's wife," "Millie's mother" and, more importantly, the president's No. 1 surrogate.

Barbara Bush worked hard to get where she is today. Some who remember her back before she became "everybody's grandmother," a favorite campaign quip of hers in 1988, say the cleverest thing she ever did was to create that folksy, down-to-earth image.

Democratic pollster Celinda Lake says Mrs. Bush is essential to her husband's image, "even more critical this time than last. In 1988 she was a key component of communicating the kinder, gentler George Bush. Now she's critical in communicating his message 'I care.'"

Even so, the Barbara Bush of 1992 isn't all that different from the Barbara Bush of 1988. She still jokes about her hair and her age; still evokes her grandmotherly credentials; still insists her political instincts are "about zero"; still calls George Bush "by far the best qualified" candidate to lead this country; still claims she doesn't talk about issues; and still uses some of the same lines she used before.

What is different is that she's dropped her color slide show of famous folks she's met on vice presidential trips, and her campaign wardrobe has a decidedly designer look. (Today she wore a fuchsia and navy blue checked jacket with navy skirt, plus her ubiquitous pearls. And, as she had on an earlier campaign trip to New Hampshire, she put on horn-rimmed glasses to give speeches.) In addition, she can come up with a sound bite to rival even the best of them, and she can reduce critical and intelligent people in both parties to an adoring mass.

And even today not all of the First Lady's encounters involved the issues. Larry LeClair of Lebanon brought along Rummy, a 3-month-old English springer spaniel, to a shopping mall in West Lebanon, hoping he could get her

attention. He not only got her attention, but introducing her to Rummy turned out to be the day's best photo op.

"Ohhhhhhh," she said. "It's too much. Look at the puppy. You giving it to me?" Then, taking note of a crowd of first graders, several of them clutching copies of "Millie's Book," she added, "I like the children better. But that's a beautiful puppy. I mean really pretty."

The flattered spaniel responded by giving her a kiss.

At another point in the day she had an update on Millie, in case anybody wondered.

"We slept cheek-to-jowl last night," she said. "Which is a bone of contention in the marriage."

Then, implying that even Millie was working on the trade imbalance, she said that during the Bushes' visit to Japan, "Millie's Book" had come out in Japanese. "So we're now exporting American goods," she announced.

"I have the feeling people don't care if she's Republican, Democrat or Socialist," says Nardi Campion, columnist for the Lebanon Valley News.

"She sort of grows on you," said Cindy Foley of Jaffrey, N.H., watching Mrs. Bush make her way through a shopping mall in Keene two weeks ago. Like others here, the Foleys' home-building business has hit rock bottom. In two years their sales dropped from 20 houses a year to zero. Mrs. Bush "sort of put the blame on Congress," said Cindy Foley, who added that she doesn't lay all the blame on George Bush. "Mrs. Bush said her husband understands the plight of the working class in the Northeast."

It's an answer the First Lady is apt to volunteer even before someone asks the question. "Do I have a problem with people without jobs and homeless

and hungry? I do, and so does he," she told a group of reporters here on that earlier trip.

The message Foley got was that because Barbara Bush is a "strong, fair, competent woman who would seem to be married to and respect someone who is the same, if you didn't know him at all you'd assume he was a decent guy because she is."

It's what Sheila Tate, Bush's press secretary in his 1988 campaign, calls "the likability factor"—nobody is better-credentialed to talk about the human being that George Bush is than Barbara Bush. She reminds people how much they like the Bushes. And that is an important ingredient in reminding them how to vote.

Lake says, "The strongest part of Bush's domestic issues is being supportive of family values. She is key to that. He has very little credibility now, so he says, 'Barbara and I care.'"

That message of caring was reinforced today during Mrs. Bush's visit to the medical center. She looked in on Sara Edgerly, an 11-year-old who fell through the ice on a lake Sunday and was underwater for 36 minutes. The girl's condition has been upgraded from critical to serious.

Democratic pollster Mark Mellman says the larger theme of family has been "a traditional refuge of Republicans and particularly of George Bush." He says the First Lady is significantly more popular than her husband.

"People have relied on coattails in the past to win elections," says Mellman. "But I think it's the first time anyone has relied on skirttails."

Ron Brown, chairman of the Democratic National Committee, calls Mrs. Bush "an extraordinary asset to George Bush who certainly helps his candidacy. But whether there's a di-

rect relationship between the lever voters pull when they go to the polls is hard to assess." He doubts that it's essential for a successful candidate to have a wife—not surprising since this year's Democratic field includes two bachelors—but he does believe that a First Lady should not be muzzled.

Barbara Bush is measured in her public comments, but if she is muzzled, those who know her well say she's done it to herself, learning the hard way the damage a caustic tongue could do in a moment of unleashed sourness. Today there are only flashes of the less kind and gentle Barbara Bush who ended up asking Geraldine Ferraro's forgiveness in 1984 for her "rhymes with rich" crack.

When, on her earlier trip, a reporter in Peterborough asked whether she thought Republican challenger Pat Buchanan was "a serious candidate," Mrs. Bush snapped, "I'm not talking about—" then stopped herself from repeating his name. "I'm talking about a serious *good* candidate."

And picking up on Hillary Clinton's gaffe about Tammy Wynette, she reportedly has noted to intimates that George Bush gets "Hail to the Chief" when he's introduced, so from now on it will be just fine with her if anybody wants to play "Stand by Your Man" when she's introduced.

Given the choice, Barbara Bush doesn't sound much different from four years ago in her public appearances.

"I'm absolutely convinced . . . that everything I worry about would be better if we could read," she told Manchester Union Leader reporter Lorna Colquhoun during her earlier swing here. Four years ago Mrs. Bush's worry list included AIDS, teenage pregnancies, the homeless, affordable housing, the environment, parenting and the family. Those concerns are still on her list today.

"We're dropping the ball on family. Where are the mothers, the fathers? Where are the values? We've got to teach them responsibility," she told Keene Sentinel reporter Catherine Pritchard.

A little later that day, in Peterborough, the First Lady put it more bluntly.

"We're doing a lousy job as parents," she said.

"Kitchen table talk," as David Blankenhorn, director of the New York-based Institute for American Values, later described it, having watched on C-SPAN. Another master of it was Ronald Reagan.

"It's the language of people, which is why they find her refreshing, feel a connection," says Blankenhorn. "When

she says we have to be better parents, she's trying to change the culture, which is much harder to change than policy and laws. She's really arguing for parental altruism or parental self-sacrifice."

At the end of today's visit to the medical center Mrs. Bush attended a round-table press conference. The youngest reporter in the group was 12-year-old Sean Donahue of "Kid Radio," a weekly program at WBZ in Boston. He asked her what advice she'd gotten from her parents when she was growing up.

She said, "My father said, 'It's nice to be natural and you're naturally nice,' meaning don't put on airs. 'Never lie, because you always get caught. Look outward, don't look in, don't think of yourself. If someone else is hurting, you should hurt a little bit.'"

At another point she was asked how the campaign was going and in her response continued her recent tendency to dip into the issues while on the stump. "I'm not the politician in the family," she said. "But I'm absolutely convinced George is going to win. He's a very wise man. He looks at the big picture, not the quick fix. Peace is important, foreign trade is important. We don't need isolationists. Any country that can build the Patriot missile and put a man on the moon—well, our workers are the best in the world."

Campaign operatives are nothing if not aggressive in orchestrating her appearances. Two weeks ago in Peterborough, according to the Monadnock Ledger, efforts by volunteers to paper a group of second-graders with Bush-Quayle '92 signs as they waited in the icy rain for Mrs. Bush met with even icier resistance from teachers who objected to the children's "being exploited." In nearby Keene about three-quarters of the estimated 500 "shoppers" present when the First Lady visited a mall were there as a result of a telephone campaign mounted by investment counselor George W. Fellen-dorf and others in the local Republican club.

Today there was a big crowd at the mall in West Lebanon. Former governor Hugh Gregg, the father of current governor Judd Gregg, said the people hadn't been brought out by Republican operatives. "This is no captive audience," he said. "We have to beg a crowd to come out to see the other surrogates, but not her. She's heads above the other surrogates."

"They like George," said Rich Myers, a spokesman in the Manchester Bush-Quayle headquarters. "They love Barbara."

Quayle: Playing the Wrong Note

Dear Vice President Quayle,

Thank you for your recent letter. Regrettably Leonard Bernstein will not be able to accept your kind invitation to join the Republican Senatorial Inner Circle fund-raising group and attend the spring meeting next month.

You must have missed the notice of his Oct. 14, 1990, passing. But we doubt Mr. Bernstein would have attended anyway. In his lifetime, his politics were known to be somewhat radical. And besides, you may recall that Lennie did refuse a 1989 National Medal of Arts award from

President Bush in protest of the National Endowment for the Arts' handling of a controversial grant. In any case, we appreciate the thought.

Sincerely,
The Reliable Source,
on behalf of friends of Lennie

Dear Source,

We've long had hopes of converting Leonard Bernstein to the Republican Party. But it's about time to give up.

Sincerely,
David Beckwith, Quayle spokesman,
responding from Helsinki

Health Industry Lobbyists Boost President's Plan

By Gary Lee
Washington Post Staff Writer

While many inside and beyond the Beltway may be confused about what President Bush's new health care plan means for them, Washington health care lobbyists know where they stand.

Corporate and insurance industry lobbyists, such as Pamela Bailey, a spokeswoman for Healthcare Equity Action League (HEAL), favor the very kinds of moderate reforms Bush espoused in the administration plan released yesterday. "It's a very strong plan," said Bailey, whose lobbying coalition represents 340 insurance companies and businesses. "It provides the basis for us to solve this country's health care problems."

Consumer groups such as Public Citizen or Citizen Action, on the other hand, say Bush's plan is an inadequate response to the soaring costs and other problems of the nation's health care system. "It will neither control prices nor provide greater access," said David Himmelstein, a Harvard professor and leading advocate of nationalized medicine.

Bailey, and other corporate lobbyists, have reason to be enthusiastic. The details of the Bush plan include most of the proposals that insurance industry and corporate leaders pitched in meetings with White House and congressional leaders in recent weeks: proposals to give uninsured Americans tax credits and reduce doctors' malpractice premiums. The Bush and corporate health care blueprints also flatly reject a national health care system structured after the Canadian system, or a "pay or play" plan under which businesses would either pay for health care for their workers or pay a special tax for government-sponsored health care.

Flush with apparent success in helping mold Bush's plan, corporate lobbyists now are undertaking an all-out bid to get it—or a close facsimile—enacted. HEAL, whose membership includes the influential U.S. Chamber of Commerce, the National Federation of Independent Businesses and the Health Insurance

Association of America (HIAA), has already launched a lobbying battle against a national health care system and for a more moderate adaptation of the current system.

With their support among GOP lawmakers assured, the corporate lobbyists are developing a strategy to shore up Democratic support. To do so, they have expanded their staffs and cornered some of the best-known Democratic public relations executives in Washington. AETNA Insurance for example, has hired Jody Powell, a former adviser to President Jimmy Carter and now a partner in the public relations firm of Powell and Tate. HIAA commissioned Carter Eskew, a communications firm often used by Democratic candidates, to help devise a public relations strategy.

The situation isn't quite the same for those who favor a Canadian-style health plan. When Bush outlined his plan in Cleveland, Citizen Action, for example, sent several dozen people to demonstrate against it.

Though their tactics may be different, both sides are seeking the ear of Sen. Lloyd Bentsen (D-Tex.), who as chairman of the Senate Finance Committee will play a leadership role on pending health care legislation, and presidential hopeful Sen. Tom Harkin (D-Iowa), who has yet to outline a specific health care plan.

They are also attempting to sell their plans to a public beyond Congress.

Last October, Common Cause released a study showing that medical and insurance industry political action committees gave over \$40 million to members of Congress.

To help polish its public image and get its message across to a broader audience, HEAL has hired Burson Marsteller, one of world's leading public relations firms. With Burson's help, HEAL recently held a conference for journalists at the National Press Club and ran a full page ad in USA Today costing approximately \$60,000. "Everyone knows that we need health care reform," it said. But "we cannot afford to scrap the current system for a costly new federal bureaucracy."

A HEALTHY HISTORY OF DEBATE

At the start of the century, a diverse group of advocates including the American Medical Association, the Socialist Party and President Theodore Roosevelt, began calling for government-paid health insurance for all Americans. A long, often fierce series of battles ensued, swinging between populist calls for a strong government role in health care and calls for a private, free market approach.

Here are some milestones in the debate:

1910-1919: Bills were introduced in several state legislatures to cover workers and dependents in state-administered plans financed by employers, employees and taxes. The idea was originally backed by the American Medical Association, then doctors and medical societies around the country forced the AMA to reverse its stand, and the idea died.

1933: The American Hospital Association endorsed a new plan, Blue Cross hospital insurance. The AMA attacked the plan as "half-baked," but private health insurance, the kind most Americans now have, was born.

1935: President Franklin D. Roosevelt endorsed the principle of compulsory national health insurance but did not ask Congress to adopt it.

1943: A Democratic trio—New York Sen. Robert F. Wagner, Montana Sen. James E. Murray and Michigan Rep. John D. Dingell Sr.—introduced the first Wagner-Murray-Dingell national health insurance bill. It called for a payroll tax on employers and employees, and government-paid doctors. The bill was introduced in some form every session for 14 years without ever making it to the floor of either house, yet keeping the issue alive. (Dingell's son and successor, Democratic Rep. John D. Dingell Jr. (D-Mich.) introduces a similar bill each session.)

1945: FDR, elected to a fourth term, promised to deliver a strong health message to Congress, but died. President Harry S. Truman adopted the idea, and backed a plan similar to the Wagner-Murray-Dingell bill. A hot national debate ensued. The American Medical Association launched an expensive public relations campaign and labeled the Truman plan "socialized medicine." The AMA then warmly embraced private, voluntary health insurance programs like Blue Cross. The Truman effort got lost amid the Korean War effort.

1964: President Lyndon B. Johnson and Rep. Mills reached a compromise. The aged would be taken care of by Medicare and a new federal-state Medicaid plan would cover more of the poor. Poorer states, like Mississippi, benefited from a disproportionate share of the federal dollars.

1965: Congress enacted both Medicare government coverage for the elderly and Medicaid, despite AMA opposition. They went into effect in 1966.

1974: With millions of Americans still uncovered, President Richard M. Nixon proposed a Comprehensive Health Insurance Program (CHIP) to mandate or order most employers to cover their workers. Under the system, patients would pay both a modest deductible before

any coverage and 25 percent of all bills, limited to a maximum annual liability. Mills and a new player, Sen. Edward M. Kennedy (D-Mass.) endorsed a similar but more generous plan. Democratic and Republican support was weak or split for either plan. Mills lost credibility when he became involved with a dancer named Fanne Fox. Watergate distracted Nixon's and the nation's attention, and nothing happened.

1991-1992: With ever more millions uninsured, health care returns to the front burner. More than 30 bills are introduced in Congress. Most take one of four approaches: Tax credits and vouchers, with encouragement for managed care such as health maintenance organizations; pay or play, under which employers must either provide health insurance or pay into a government fund for the uninsured; stronger private health insurance; or universal, government-administered health care as practiced in Canada.

FIRST TO INTRODUCE A HEALTH CARE BILL



Sen. Robert F. Wagner (D-N.Y.)



Sen. James E. Murray (D-Mont.)



Rep. John D. Dingell Sr. (D-Mich.)

1950: Lacking support for a federal health plan, advocates of government health insurance began to think of covering the elderly as politically salable, and a foot in the door for later universal plans. Truman's Federal Security Agency head, Oscar Ewing, talked of making 60 days' hospital care a year part of Social Security.

1953: President Dwight D. Eisenhower killed all efforts at a government plan, unsuccessfully proposing measures that would strengthen private health insurance.

1958: Sen. Robert S. Kerr (D-Okla.) and Rep. Wilbur D. Mills (D-Ark.), chairman of the House Ways and Means Committee, sponsored the Kerr-Mills plan giving states modest matching federal funds to care for the aged poor. With backing from the AMA and Republicans, the measure passed.

1960: Sen. John F. Kennedy hit the presidential campaign trail promising care for the elderly financed with an increase in the Social Security payroll tax.

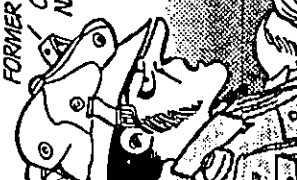
—Compiled by Victor Cohn

DOONESBURY

By G.B. Trudeau

[PAT BUCHANAN UNDER FIRE.]

MR. BUCHANAN, HOW DO YOU RESPOND TO CHARGES FROM DAVID DUKAKIS THAT YOU'RE A FORMER MEMBER OF THE NATIONAL MEDIA?



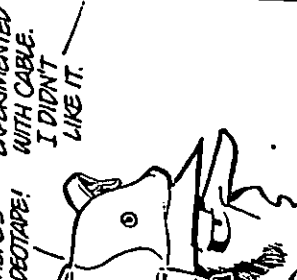
THAT'S A VICIOUS SMEAR AND IT COMES FROM A LITTLE GUTTER SNIDE SO TWO-FACED HE HAD TO HIDE ONE OF THEM UNDER A SHEET AND HAVE THE OTHER ONE CHEMICALLY PEELED!



HEY, GUY, IF I HAD BEEN A MEMBER OF THE MEDIA, WOULD I TELL YOU?



BUT THERE'S... THERE'S... VIDEO TAPE! I DIDN'T LIKE IT.



27 CB Trudeau

NASHUA, N.H., Feb. 6—Arkansas Gov. Bill Clinton said today he never knowingly received favorable treatment in avoiding military service during the Vietnam War and disputed suggestions he used an Army ROTC program to escape the draft.

Clinton said that although he received a four-year deferment as a result of saying he would join the ROTC program, he voluntarily gave up the deferment and asked that he be made eligible for the draft.

"I just didn't feel right about having a four-year deferment," he said, noting several friends had been killed in the war. He added, "I put myself into the draft when I thought it was a 100 percent certainty that I would be called."

In December 1969, the draft was replaced by a lottery. In the first lottery, Clinton drew No. 311, too high ever to be called.

An article in the Wall Street Journal today said that in the summer of 1969 Clinton had agreed to join the ROTC program at the University of Arkansas because he feared he would be drafted in September of that year. Clinton said at the time that he intended to enroll in the law school there the following year. Instead, he returned to Oxford and enrolled at Yale Law School in the fall of 1970.

The article also quoted Col. Eugene Holmes, who was then an Army recruiter at Arkansas, as saying that Clinton had acted unethically and had manipulated the program "so that he didn't have to go in."

Clinton responded by saying Holmes, in earlier accounts over a period of 13 years, had never accused him of any improprieties and had said he had received no special treatment. Holmes could not be reached today.

Clinton said the implication of the Journal story, that he had maneuvered to avoid the draft, was incorrect. "I was not seeking to avoid military service by this," he said. "I could not have known that this lottery number would come about or that all the lottery people wouldn't be called."

Asked about the issue at a crowded town meeting in Exeter, N.H., tonight, Clinton said, "I did not do anything wrong, and I certainly didn't do anything illegal."

Clinton was an active opponent of the Vietnam War. His draft record has been the subject of a number of newspaper stories over the years, including a recent article in The Washington Post. It became an issue in his 1978 race for governor in Arkansas but until today had not been mentioned in the presidential race. In a statement, his campaign said the Journal article consisted of "recycled Republican charges."

Clinton had a student deferment while he was an undergraduate at Georgetown University. His draft board in Hot Springs, Ark., reclassified him 1-A in March 1968, a month after the Johnson administration announced it was abolishing graduate school deferments, beginning with Clinton's 1968 graduating class.

After graduation, Clinton went to Oxford University in England on a prestigious Rhodes Scholarship. He did not take his pre-induction physical examination until February 1969.

The Journal quoted Opal Ellis, the draft board's executive secretary, as saying the town was "proud to have a Hot Springs boy with a Rhodes Scholarship" and that the board "was very lenient with him. . . . We gave him more than he was entitled to."

Clinton today denied seeking or

receiving special treatment from the board. Ellis, identified by the Journal as a Republican, could not be reached.

Clinton also denied Ellis's contention that he had tried to bully the draft board to keep him out of the military. "I had absolutely no conversations with her to that effect, ever," he said. "She's had 23 years to tell this story and has never done it before."

Clinton decided to sign up for ROTC in the summer of 1969 after failing physicals for the Air Force and Navy officer programs, the first because of his eyes and the second because of his hearing. The board then reclassified him 1-D in August. Because he couldn't enroll in ROTC until the following year, it was agreed that he would return to Oxford, according to his campaign.

Holmes told the Journal he believed at the time that Clinton planned to come back to law school in Arkansas later in 1969. He said it would not have been possible for Clinton to have a 1-D deferment for a year and not be in school there.

In any case, Clinton then changed his mind and asked to be let out of his ROTC agreement and put back in the draft pool. On Oct. 30, 1969, he was reclassified 1-A again.

Clinton told The Post two months ago he had talked directly with Holmes about getting out of the ROTC program. Today he said a relative had talked with Holmes.

Nebraska Sen. Bob Kerrey, a Medal of Honor recipient during Vietnam, said today he did not blame Clinton for trying to avoid or delay service in an unpopular war. Asked whether he believed Clinton, he said, "I hope he's telling the truth, but I've got some doubts."

Iowa Sen. Tom Harkin, a Navy veteran, said the "last thing Bill Clinton needs is another story questioning his veracity and his character."

Former Massachusetts senator Paul E. Tsongas, who served in the Peace Corps during the 1960s, said he hoped the issue about Clinton's draft record would not overshadow other issues in the campaign.

Staff writers David S. Broder, E.J. Dionne Jr. and Maralce Schwartz and researcher Mark Stencel in New Hampshire and staff writer Bill McAllister in Washington contributed to this report.

Clinton Disputes Draft-Evasion Suggestions

Arkansan Says He Voluntarily Gave Up Deferment and Asked to Be Made Eligible for Call

CLINTON'S DRAFT RECORD

- **November 1964**—Bill Clinton is classified 2-S (student deferment) by his Hot Springs, Ark., draft board when he enrolls as an undergraduate at Georgetown University.
- **March 20, 1968**—Clinton is reclassified 1-A after the Johnson administration announces an end to graduate deferments.
- **June 1968**—Clinton graduates from Georgetown University. That fall he goes to Oxford, England, on a Rhodes scholarship.
- **Feb. 3, 1969**—Clinton passes pre-induction physical examination.
- **Summer 1969**—After failing physicals for both Air Force and Navy officer candidate schools, Clinton agrees to enroll in an Army ROTC program at the University of Arkansas Law School. He returns to England to finish his Rhodes scholarship, intending to begin law school in the fall of 1970.
- **Aug. 7, 1969**—Clinton's draft board reclassifies him 1-D, because of his enrollment in the ROTC program.
- **Fall 1969**—Clinton decides to quit ROTC and asks to be put back in the draft pool.
- **Oct. 30, 1969**—Clinton is reclassified 1-A.
- **December 1969**—The first lottery is held. Clinton's number is 311, too high to be called.

Harsh Negative Ads Unleash Arkansas Feud in Campaign

By Howard Kurtz
Washington Post Staff Writer

The harshest negative ads of the Democratic presidential campaign have hit New Hampshire, courtesy of a small Arkansas group trying to defeat Gov. Bill Clinton.

"We Arkansans know the real Bill Clinton. . . . He's no friend of the middle class," says one of three radio spots. "Please, Gov. Clinton—Don't do to America what you've done for Arkansas."

An ad in the Manchester Union Leader says, "Do you really want to gamble on Bill Clinton. . . and have to worry when the other shoe will drop?"

The campaign is financed by the Alliance for Rebirth of an Independent American Spirit (ARIAS), a Little Rock group with about 100 contributors. Clinton this week called the group "a bunch of right-wing Republicans who are bitter. I beat their brains out every time they tried to beat me for the past 10 years," according to the Arkansas Democrat-Gazette.

But Little Rock attorney Cliff

Jackson said Democrats and independents are also involved. Jackson said ARIAS has recycled one ad from the 1990 campaign of Clinton's GOP opponent, but that he has no ties to the Republican Party.

While the group has spent just \$5,000 on radio ads so far, it has also used such guerrilla tactics as airing spots on a Manchester station while Clinton was being interviewed.

The most striking ad includes a sound bite of Clinton saying, "We either raise and spend or we don't spend." Clinton's voice is replayed over and over—"raise and spend"—as an announcer recites a series of tax increases during Clinton's tenure.

Frank Greer, Clinton's media adviser, said the quote was spliced "out of context," and that Clinton had said the state could cut the budget instead of increasing spending.

Jackson said Clinton campaign officials warned New Hampshire radio stations in a letter that they might have to provide equal time. "They tried to . . . curtail our free speech rights," he said.

Stephen S. Rosenfeld

Green Dilemmas

The latest alarm about the wasting of the ozone layer draws the attention even of us casual environmentalists to what appears to be a dismal mismatch between the economic forces degrading the world environment and the political forces mobilized to protect it.

The other day The Post's Michael Weisskopf sized up the environment as an issue in the American political campaign: minimal and fading, he found it. Some observers discern vigorous stirrings at the international grass roots. But considerable parts of the global environmental movement seem at the moment to be concentrating on the hope that a galvanizing jolt will be delivered to world consciousness by the United Nations "Earth Summit" of world leaders coming up in Brazil in June.

Like his would-be Democratic challengers, George Bush sees environmental considerations as competitive with economic ones and subversive of an election-year focus on "jobs, jobs, jobs." The president has not said whether he'll go to Rio. Until now, anyway, he has been reluctant to accept even those modest measures to counter global warming that have been proposed by our European friends. He has shied from entering an international forum where he would no doubt be pressed hard to do so.

Meanwhile, people who track the environment closely, like Lester Brown of Worldwatch, are near desperate and doomsday-minded about the physical trends. Some of the rest of us are a bit leery of being told once again that we have used up the "available ecospace," but the measurements become more insistent and grave and more difficult to shake off.

Another sign: some of the greens become increasingly impatient with what they see as their mainstream brothers' tendency to join the Washington establishment rather than confront polluters, to settle for regulating pollution rather than halting it.

Like perhaps some of you, I have lived fairly easily with less awareness and more tolerance of the global physical trends than the concerned core of greens. I can be aroused by the occasional image of an environmental atrocity. But a part of me always wonders whether the experts aren't overdoing it—look how oil-soaked Prince William Sound in Alaska came back—and whether they aren't pro-

longing a stale debate over the natural limits to growth. It occurs to me that where we go in Vermont in the summer, it is lovely.

Still, by way of expiation for such selfish and uncivic thoughts, I can also report that my personal needle is shifting toward the view that as citizens of a rich country we are consuming more of the world's and the future's environmental capital than we have a right to. We—or at least others less privileged or those who come after us—are going to have to pay a price.

Part of the American dilemma is that we choose to abuse the Earth's natural inheritance by continuing to live the high life even though we are regularly and thoroughly briefed on the risks of, for instance, burning a lot of coal and oil. But another part of the dilemma is that we may not see clearly enough the implications of our insufficiently examined ideas.

For instance, the World Policy Journal, which asks impertinent questions, asks in its winter issue:

■ Is not the Mexico-Canada-U.S. free trade agreement, in "liberalizing" trade and barring nontariff inhibitions on exports of natural resources, crowding out environmental protections and stirring the profligate consumption of fossil fuels?

■ How can Canada and the United States vow as they have to reduce carbon emissions and simultaneously to promote energy development by relaxing regulatory controls?

■ Is the embrace of economic growth, global economic integration and conventional foreign aid to serve economic development in poor countries consistent with an appropriate nursing of non-renewable resources?

The evident tension here is likely to come into view at the Earth Summit. It is formally designated as UNCED—United Nations Conference on Environment and Development. The critics contend, of course, that in some ways the two goals cross.

Unchecked consumption, an ideology of growth, faith in the market: these are the familiar conservative targets of greens' concern. Free trade, Third World development, foreign aid: these are the less familiar liberal targets. It takes a real mental wrench to contemplate the possible environmental downside of one's favorite ideas. All of us can do better.

President Unveils Health Care Plan

'Preserve' but 'Reform' Existing System

By Ann Devroy
 Washington Post Staff Writer

CLEVELAND, Feb. 6—President Bush today unveiled an election-year health care proposal that he said would "preserve what works and reform what doesn't" rather than fundamentally change the nation's health delivery system.

Bush's proposal—built on government subsidies to help the poor and middle class purchase health insurance and cutting health care costs through a series of reforms—immediately came under attack by Democrats and some health care advocates. Some congressional Republicans active on the issue welcomed the president's proposals but characterized them as only a first step.

Democrats questioned the seriousness of Bush's proposal because the White House did not offer a detailed plan to pay the estimated \$100 billion five-year cost of the program. They said it would not adequately stanch escalating health care costs. And many of the proposals would have to clear a thicket of federal, state and industry regulations and reforms.

But the president's detailed proposal and the fanfare that surrounded its announcement marked a new acceptance of the government's role in providing health care, advocates of reform said. Voters' concerns about rising costs and diminishing access to medical care have moved the issue to the forefront, and Bush and leading Democrats have set the stage for a fierce election-year battle over proposals radically different in concept.

The major elements of the White House plan include:

■ Tax credits of up to \$3,750 for poor families and tax deductions for others to pay for insurance. Both the credit and deduction would be available for health insurance costs of up to \$1,250 for individuals, \$2,500 for married couples and \$3,750 for families. Individuals with incomes up to \$50,000, married couples up to \$65,000 or families up to \$80,000 would get some level of deduction or credit.

■ Insurance market reform. The White House plan offers a basket of proposals aimed at making insur-



PRESIDENT BUSH

... cites insurance access, cost control

ance more accessible, cancellation less likely, premiums lower and availability wider.

Insurance firms would have to issue coverage to employers seeking it for persons with pre-existing conditions. But a firm would not have to pay the cost of the condition for the first six months if the person has not been previously insured. Insurance companies would not be allowed to drop those with costly illnesses, or refuse to cover them if they moved from one job to another.

■ Cost containment. The Bush proposal includes legal reforms to lower the cost of malpractice cases and doctors' insurance. It says paperwork costs can be cut through use of standardized claims forms, and would offer incentives for states to use health maintenance organizations and other managed-care programs.

Bush unveiled his proposal to an understated reaction from the Greater Cleveland Growth Association, a chamber of commerce organization. And he had harsh words for the main health care proposals from Democrats, either national health insurance or the "play-or-pay" plans that would require firms to either provide insurance or pay into a government fund that would cover the uninsured.

"Some people have scribbled out a prescription for disaster," Bush said, predicting "long waiting lines" for treatment, "shortages" of high-

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tech equipment and tax increases of "a staggering \$250 to \$500 billion a year" under nationalized insurance.

The "play or pay" plans, he said, would dump millions of workers into government insurance and make the taxpayer foot the bill, as well as imposing new, perhaps prohibitive costs on employers. "You won't hear this from the people pushing play-or-pay," he said. "Ask them about the side effects of their proposal and they'll say: Take two aspirin and call me after the election."

But Democrats said the president's plan was indicative of his cautious, incremental approach to domestic issues; House Majority Leader Richard A. Gephardt (D-Mo.), called it "tinkering around the edges again."

Rep. Fortney H. "Pete" Stark (D-Calif.), chairman of the health subcommittee of the House Ways and Means Committee, called the Bush plan "terminally sick."

"Health insurance will cost families an average of \$5,600 in 1993," Stark said. "The tax credit for a low-income family would be \$3,750. By definition, where does a low-income family come up with another \$150 a month for health insurance? They can't."

Added Senate Majority Leader George J. Mitchell (D-Maine): "The president's plan fails to meet the first test—that of controlling costs. In fact, his proposals would increase health care inflation."

Democrats also hammered at the president's reluctance to specify a way to pay for the program.

Bush and his aides stuck to their insistence, under repeated questioning, that financing methods should be worked out with Congress, and that much of the cost would be covered by increased efficiency and reforms in the health-care system.

"There is no need to operate on the assumption there is a big deficit here to be covered," said a senior official of the \$35 billion to \$40 billion per year the tax credit and deduction would cost the Treasury.

The White House put forward, but did not provide details of, a suggestion to spend less on Medicaid by imposing a per-capita ceiling on the annual growth of federal matching payments to states, rather than matching the states' costs.

Democrats and the American Medical Association denounced the notion of any caps on Medicaid spending. "Illness and disease do not understand caps or budgets," said James S. Todd, AMA executive vice president.

Sen. John D. "Jay" Rockefeller IV (D-W.Va.) said the idea amounts to "robbing from an impoverished Peter to pay Paul."

The administration considered, but rejected in the face of political heat, two other methods of funding its program. Some \$40 billion in Medicare cuts had been under consideration, along with taxing some portion of benefits provided to well-off workers. Both were rejected, officials said, because of strong complaints not only from Democrats but from Republicans who would be called on to support Bush's program.

Congressional Republicans noted that Democrats have also been reluctant to specify how they would pay for their plans. "In all fairness, most of the plans don't have a way for paying for it," said Sen. John Chafee (R-R.I.), a leader in the health care reform effort.

But he and other Republican leaders expressed res-

ervations about some parts of the president's proposal. "What you heard today is a plan, not a solution," said Sen. David Durenberger (R-Minn.)

While the president and members of Congress on both sides of the aisle warned against allowing politics to play a role in the health care debate, it is the political climate that is providing a new urgency.

At the height of his popularity last summer, aides said Bush had no intention of entering the health care reform debate until after the 1992 elections, and suggested that fall of 1993 might be the target for a Bush plan.

Officials then cited health care as a "Democratic issue" that would only hurt Republicans if they entered the fray. But that changed with the special election in Pennsylvania of Democratic Sen. Harris Wofford, who made health care the main pillar of his campaign.

A senior political adviser said after that election—and Bush's steep slide in the polls caused in part by the recession—that the president would not be able to sidestep the issue. Like his State of the Union address concentrating on domestic issues, the health care proposal is what one official here called "offensive political ammunition," a document that allows Bush to counter Democratic proposals with one of his own.

Mitchell said Bush has shifted his position on civil rights legislation and unemployment compensation in the last year because of his declining political fortunes. "Two dips in the polls, and a reversal," said Mitchell. "One more dip this year, we might get health care [legislation]."

Staff writers Kenneth J. Cooper, Malcolm Gladwell and Spencer Rich in Washington contributed to this report.

HIGHLIGHTS

The TV Column

- Great Performances: Baroque Duet with Wynton Marsalis and Kathleen Battle on WETA.
- The Miss USA Pageant on WUSA.
- "Super Bloopers & New Practical Jokes" and a two-hour "Matlock" on WRC.

Public Broadcasting

Great Performances: Baroque Duet (CC) (Channel 26 at 9) is previewed by Joseph McEllean on Page B2.

Metro Week Special Edition. With Prince George's County Executive Parris Glendening and Joslyn Williams of the AFL-CIO. One hour (Channel 26, 11:30).

Specials

Miss USA Pageant. Dick Clark and Terry Murphy host the 41st annual competition live from Wichita, Kan. (Channel 9 at 9 p.m.).

Super Bloopers & New Practical Jokes. With baseball legend Mickey Mantle and actors Tempestt Bledsoe, Carol Burnett, Sherman Hemsley, Danny DeVito and Rhea Perlman. One hour (Channel 4 at 8).

Series

America's Most Wanted. A New Mexico man is wanted for the death of his wife, and the people of Killean, Tex., are interviewed about the killings in Luby's Cafeteria (Channel 5 at 8).

Family Matters (CC). Steve causes havoc in his cooking class, and Carl's new video camera is smashed (Channel 7 at 8).

Rescue 911 (R) (CC). A rescue worker is called to save her husband, and an accident ignites an ambulance (Channel 9 at 8).

Step by Step (CC). Frank teaches Mark self-defense to fend off a school bully (Channel 7, 8:30).

Matlock (CC). After deciding to retire, Matlock becomes involved with the death of an immigrant farmhand and endangers his own life (Channel 4 at 9).

Cops (CC) profiles the U.S. marshals who run the Washington-based crime-sweeping "Operation Sunrise" (Channel 5 at 9).

Baby Talk (CC). James takes Mickey to the park, where he meets his British look-alike (his real-life twin) and they decide to switch places (Channel 7 at 9).

Hidden Video (CC). Spooky videos include aliens in a lover's lane and a ghost guest at a romantic dinner (Channel 5, 9:30).

Billy (CC). Mary feigns indifference when Billy is invited to a formal dinner by her friend (Channel 7, 9:30).

20/20 (CC). With reports on the increased violence against public school teachers, silicone breast implants and laser angioplasty surgery (Channel 7 at 10).

Illinois and Clinton . . .

CHICAGO—Main-line Democratic politicians, who a month ago were preparing to anoint Bill Clinton as their presidential nominee, now consider him one of the walking dead who sooner or later will keel over.

That harsh calculation is made privately even by Clinton's announced supporters running for delegate in the key Illinois primary March 17 who have no choice other than publicly to stand by their man. From the moment they learned of published allegations of sexual misbehavior, however true or false, the city's regular Democrats surmised that Clinton's candidacy was dead. But they do not know when rigor mortis will set in.

Whatever the timing, Democrats here are gravely disconcerted. If Clinton is beaten out in New Hampshire Feb. 18 by former senator Paul Tsongas, one Illinois leader told us, "It would be a farce. Tsongas! Where do we go then?" But if Clinton survives New Hampshire, they fear the party will be on its way to nominating damaged goods.

Heirs of the old Daley Machine would be the last politicians to sit in judgment on the morality of the governor of Arkansas. Rather, they make a cool-headed assessment that the unfortunate Clinton cannot rid himself of the poisonous accusations. They consider it unfair and a shame, but the real world.

That explains an overriding sense of desperation to find a new face at this late hour. One Chicago Democrat who has excellent contacts with national party leaders has been told that supporters of House Majority Leader Richard Gephardt are meeting to consider a revived candidacy. But most restive politicians here look toward New York's Gov. Mario Cuomo.

In fact, Cuomo had long been first choice of this city's pragmatic Democrats, who above all want a winner. When he finally said no, the stampede began toward Clinton as the only potential winner in the field. Clinton's state campaign is being run from the law offices of Cook County (Chicago) Democratic Chairman Thomas G. Lyons. Clinton is backed by such key party regulars as County Assessor Thomas Hynes.

It was taken as a matter of course that if he came here, fresh from victories in New Hampshire and Super Tuesday Southern primaries, Clinton would sweep through Illinois on St. Patrick's Day. The Chicago Democratic organization is not the omnipotent machine of yesteryear, but Clinton appeared to have little serious opposition. The chief challenge came from the party's left wing, led by County Clerk David Orr and supporting Sen. Tom Harkin.

Still, persistent rumors of a skeleton in Clinton's closet caused the city's senior party figures to hold up their decision. State House Speaker Michael Madigan, urged by Clinton to endorse him after they met last fall, heeded the rumors and kept his powder dry.

The same is true of Mayor Richard M. Daley, as cautious as his father in not leaping to an early presidential choice. When Clinton months ago heard that rumors about his personal life were bothering the mayor, his emissaries asked Daley if both Clintons, Bill and Hillary, could come to City Hall to plead their case. Daley declined.

The guess by politicians who know him well is that Daley is no less convinced than lesser Democrats here that Clinton's political fate is beyond redemption. The mayor can be expected to keep far away from prickly problems posed by the Illinois primary.

Politicians committed to Clinton cannot walk away so easily. If their candidate wins in New Hampshire, they will have little choice but to carry on for him in Illinois, submerging their misgivings about November. But if Clinton falls in New Hampshire, his Illinois delegates probably will use newly liberalized rules to change their personal choice before March 17.

That choice for many is Mario Cuomo, no matter how much his procrastination and then withdrawal exasperated the Chicago pols. In Illinois, a slate of "uncommitted" delegates will be campaigning as Cuomo backers. However they arrive there, the Chicago Democrats want to get away from Bill Clinton.

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. . . And the Draft Generation

NASHUA, N.H.—Shortly after a weak sun put in a pro forma appearance on a cold morning here, Sen. Bob Kerrey was asked what he thought of charges that Gov. Bill Clinton had ducked the Vietnam War draft. Kerrey is a genuine war hero, credentialed by a Medal of Honor, the loss of part of his leg and a way of walking that tells you not where he is going, but where he has been. He said, "If he said he was trying to avoid the draft, I wouldn't blame him." Whatever he was in Vietnam, in New Hampshire Bob Kerrey is no killer.

But Clinton may well be wounded anyway. The draft issue, an arcane affair with language and regulations all its own, is no sex scandal, but for some it will have to do. It's yet another shadow to darken what was once the sunny and unblemished Clinton countenance—another one of those issues that disquiets for reasons hard to explain. Indeed, younger journalists of either gender and women of a certain age for whom the draft was someone else's headache have a hard time understanding what the issue is all about. Suffice it to say that an age-old question is being asked of Clinton: What did you do during the war?

Clinton did many things—none of them apparently illegal. Like countless others of his generation, he wanted to avoid the draft and service in a war he loathed. By 1969—the year Bob Kerrey was in the Philadelphia Naval Hospital—the two men had something in common: a conviction the war was a mistake.

So the issue for many people, including Kerrey, is not that Clinton avoided the draft but how—and whether his claim that dumb luck kept him out of military service jibes with the facts. The Wall Street Journal, in a story that kicked off the current ruckus, says it does not. It alleges favoritism and deceit were used as well.

Clinton, cornered in a hotel lobby here, said there were serious inaccuracies in the Journal story—and, indeed, at least one of the Journal's sources has given a different story to other newspapers. Be that as it may, Clinton nevertheless seems stuck in the tar of a certain era. The war was a quagmire—and not just in Vietnam. In this country, it produced an ethical and moral muddle. Men did what they had to do to avoid the war. You entered schools and colleges not to learn but to avoid the draft. You sought out National Guard and Army Reserve units, balanced that obligation

against the chance of being drafted. You flirted with the ROTC, monitored your health as keenly as a nurse in post-op, told stories, fibbed fibs and hoped, somehow, to stay lucky. Clinton claims to have stayed lucky.

The term "lost generation" has many meanings. Gertrude Stein said it to Hemingway—"You are all a lost generation"—when referring to the American expatriates living in France during the 1920s. I apply it sometimes to generations riddled by war. The French university students of World War I and the Polish officer corps of World War II come to mind. The loss of these generations left a hole in their societies. A certain moment arrives, but new leaders do not materialize. Vietnam—the war and the questioning of authority and convention it produced—might have done that to America.

Maybe Bill Clinton is a member of a lost generation. Without even a single primary or caucus behind him, he has been dogged by questions more typical, I think, of his generation than of those that went before. He has had to admit that his marriage has been rocky, that he cannot deny having had an affair and, now, the less than heroic details of how he avoided military service are being examined. For some, the latter may be just another way of rephrasing the character question. It's hard to ask a man about other women and such matters. But the lexicon of the draft is familiar to an entire generation of journalists and almost fun to recite. In the lobby of the hotel, the 1-As and 1-Ds, the ins and outs of certain programs, were bandied about. If you are male and a certain age, this is like talking batting averages.

It could be that Bob Kerrey's initial reaction to Clinton's latest woe was generationally apt: Who cares as long as integrity does not become the issue? But the very controversy tends to make Bill Clinton even more of a generational figure, someone out of the maelstrom of the 1960s. However it was he avoided military service—by dumb luck or not-so-dumb machinations of one kind or another—it somehow does not compare favorably with Kerrey's heroism or with Paul Tsongas's stint in the Peace Corps—not to mention George Bush's military service. He loses stature.

A generation—my generation, as a matter of fact—understands what it's all about. But empathy is not admiration—and the difference is what makes a candidate a president.

KEY PROVISIONS OF THREE MAJOR HEALTH REFORM PLANS

PROVISION	NATIONAL HEALTH INSURANCE (Rep. Marty Russo—D-Ill.)	"PLAY OR PAY" As approved by Senate Labor and Human Resources Committee	PRESIDENT BUSH
1. Private insurance companies' role.	Government takes over virtually all major health insurance coverage.	Private companies remain as major insurers.	Private companies remain as major insurers.
2. Extension of coverage to more Americans.	Government health insurance covers all Americans, including 36 million currently with no health insurance at all.	All employers must buy private health insurance for their workers or pay a tax estimated at 7% to 8% of payroll each year. Anyone not covered would be insured under a new federal-state program called AmeriCare that would replace Medicaid for all acute care.	Federal government would give insurance vouchers worth up to \$1,250 per individual or \$3,750 per family to low-income families to help them purchase health insurance.
3. "Catastrophic" cost protection.	Yes. Care unlimited.	Yes—\$3,000 out-of-pocket limit for covered services.	No.
4. Elimination of co-payments or deductibles. Outpatient prescription drugs covered. Long-term care covered.	Yes. Yes. Yes.	No. No. No.	No. No. No.
5. Added federal tax deductions for insurance premiums.	Not applicable.	Yes for self-employed and small business.	Yes for self-employed and families up to \$80,000 income.
6. Insurance reforms to make it easier for small businesses and individuals to obtain coverage.	Not applicable—federal insurance covers everybody at all times.	Yes. Reduces restrictions on pre-existing conditions; encourages new policy types	Yes. Reduces restrictions on pre-existing conditions; encourages new policy types
7. Status of Medicare Medicaid.	Abolished—all Americans covered by federal insurance program.	Medicare remains in existence for elderly. Medicaid absorbed into AmeriCare except for long-term care of poor.	Both remain in existence.
8. Cost controls: a. Annual national budget specifying target for total public and private outlays for health care—enforced by fee schedules negotiated with doctors, hospitals and other providers or mandated by government. b. Malpractice litigation reform. c. Encouragement of managed care (HMO's, preferred-provider plans, etc.).	a. Yes. National health budget increases limited to same percent as growth of Gross Domestic Product. b. Reduces needs for lawsuits. c. No.	a. Yes. b. Yes. Experiments in states c. Yes.	a. No. b. Yes. Fosters pre-trial settlements, caps awards. c. Yes—for private and government programs.
9. New taxes, financing to pay for the plan	Raises employer social security hospital insurance tax by 6 percentage points (it is now 1.45%). Raises maximum personal income tax to 34%. Raises maximum marginal tax for corporations from 34% to 38%. States would pay 85% of their former Medicaid costs plus \$85 per capita toward federal insurance cost.	Additional financing needed for AmeriCare, but nothing specified so far beyond the 7-8% "play or pay" tax on employers.	Not specified—various options proposed, including cap on Medicaid growth.
10. Payments required from individuals.	Most Americans would pay no premiums for coverage. Elderly would pay equivalent of current Medicare premium (\$31.80 a month) plus \$25 a month for long-term care if above 120% of poverty line.	Individual payments toward all private and public insurance would generally be no more than 20% of cost of policy, with subsidies for poor and near poor in AmeriCare program. Medicare Part B premium continues (\$31.80 a month).	No special new limitations on how much an individual must contribute to premium costs.
11. Claimed savings compared to projections of spending under existing system.	At least \$1 trillion over next 10 years from reduced administrative costs, delayed acquisition of new technology, curbs on unnecessary care.	\$228 billion over 5 years from rate-setting, administrative cost savings, elimination of unnecessary care.	\$394 billion over 5 years, from managed care, insurance reform, malpractice changes, Medicaid caps, etc.

President's Plan Elicits Many Questions, Gives Some Options

By Malcolm Gladwell and Spencer Rich
Washington Post Staff Writers

What is distinctive about the Bush administration's plan?

Unlike Democratic congressional proposals for a "play-or-pay" system or a single nationalized program, the Bush plan relies heavily on existing institutions and free-market economics, it includes a series of targeted structural reforms and a specific set of proposals to make health insurance more affordable for the working poor and middle class.

How do the financial assistance programs work?

For those with incomes near the poverty line, the plan would provide credit vouchers redeemable at health insurance companies. For single people making \$5,600 or less, the voucher is worth \$1,250. For couples under \$10,000, it gives \$2,500. For families under \$14,300, it gives \$3,750.

These vouchers would be certificates that could be picked up at a state unemployment benefits office or some other state-designated agency. The higher the income, the less the voucher amount—up to 150 percent of the poverty line. Then the voucher system would stop and a tax-deduction credit system would start. Individuals making up to \$50,000 could deduct up to \$1,250 of the cost of health-insurance premiums on their federal income tax filings. Couples making up to \$60,000 could deduct up to \$2,500, and families making up to \$80,000 could deduct \$3,750.

Before taking the deduction, an individual would have to subtract from the total cost of insurance any amount paid by an employer.

For example, a family of four with an annual income of \$50,000 pays \$3,750 for insurance premiums, of which \$1,000 is paid by an employer. The family could deduct the difference—\$2,750.

Could the subsidies and vouchers actually solve the problem of the uninsured?

The Bush administration predicts that over five years the plan will reduce the numbers of uninsured from 34 million to 4.9 million. Others are less optimistic.

Karen Davis, a health economist at Johns Hopkins, points out that only 28 percent of uninsured Americans have incomes below the poverty line, and thus would qualify for the largest assistance benefits. And even for them, the subsidy would only be partial: The cost of a year's health insurance coverage for a family of four averages just over \$5,000. That means a family making \$10,000—which qualifies for the full \$3,750 credit—would still have to find \$1,250 in after-tax cash to pay for insurance.

The higher an insured person's income, the less effect the plan has. Consider a family of four making \$20,000. In their 15 percent tax bracket, even the full \$3,750 health tax credit would be worth about \$563. They still have to come up with about \$4,437 to pay for \$5,000 worth of medical insurance.

"That's not going to be enough to help you afford insurance," said Davis.

That \$5,000 premium rate, of course, is an average. In some rural areas, the credit might well be enough. But in the District, for example, the small group rate for a family in which the parents are 40 years old is \$7,872 per year. For a 40-year-old single man, a year's coverage is \$2,808.

"For poor families, a tax credit of \$1,250 per individual is a cruel hoax," John J. Sweeney of the Service Employees International Union said.

"I would guess that this would cut the [total number of] uninsured in half," said Mark Pauly, a health economist at the Wharton School in Philadelphia. "The part that is questionable is: What is it going to do for the uninsured who aren't that poor? . . . I think you will need more than just tax breaks of that magnitude."

How would the plan affect those who already have insurance?

In two ways. First, many Americans lose medical coverage when they switch jobs. This is because many insurers refuse to cover "preexisting conditions"—illnesses they had in their previous jobs. The Bush proposal would prohibit this practice.

Second, the plan also would make it illegal for an employer to exclude from coverage employees who suffer from certain expensive illnesses, such as AIDS.

How would the Bush plan affect small businesses?

Substantially. The plan attempts to encourage small businesses that do not currently offer health insurance, or that are suffering from high premiums, to band together and form what are called "health insurance networks" (HINs). These networks, which would be administered by a union, a trade group or a board made up of the member companies, would then go to a health insurance company and negotiate for group coverage.

The chief incentive to the formation of HINs is to level the playing field between small and big companies. Currently large companies are able to insure themselves, paying health premiums to an in-house fund from which they pay for claims. This allows them to escape certain costly regulations, such as state laws requiring that they offer various expensive benefits, state laws limiting their ability to negotiate lower prices from hospitals as well as local taxes on insurance premiums.

The plan would give those same advantages to an HIN currently held by a self-insured company.

In addition, the plan assumes that HINs would flourish because workers could use their vouchers or their tax credits to help pay for insurance, making a network more affordable than it would be if the full cost had to be borne by employers. Also, insurers will be able to offer far cheaper insurance to the

HINs than they would have been able to each of the member companies individually, because the costs of administering a large plan are much less than the costs of running many small plans separately.

How would the plan affect individuals who aren't in an HIN?

One simple proposal would allow a person to give a credit voucher to an employer, who could supplement it and buy coverage, or refer the worker to a place where a policy could be purchased.

Another way would be for the worker to give his voucher to Medicaid. Under the plan, states would have the option to expand Medicaid coverage to all those eligible for vouchers, which means that all persons up the poverty line with no health policies would be guaranteed Medicaid coverage.

Or, of course, the individual could use the voucher to obtain a policy.

How would the plan affect the way insurance companies do business?

Carl Schramm, president of the Health Insurance Association of America, a trade group for the health insurance industry, calls this part of the Bush proposal "radical."

Under the present system, insurers based their premiums for each company they insure on the amount of money that company spent on health care during the previous year. A small company with one or several employees who became very, very sick, for example, would face huge increases in its premium costs for the next year, and might not be able to afford insurance at all. By the same token, a company that employs mostly young and healthy people would have much lower than average health insurance premiums.

The Bush plan would gradually move away from that system toward what is called a "community rating," which is based on large pools of people who live in the same state. Insurers would be required to charge every insured person in a given "community" roughly the same premium price, spreading

the costs of insurance evenly across young and old, healthy and sick.

Would the plan curb skyrocketing health care costs and how much would it save?

The only specific cost-saving device is a proposed curb on the growth of Medicaid spending, with the goal of holding annual budget increase to the rate of inflation plus perhaps 2 percent within a few years.

The administration estimates that a variety of strategies will change incentives in the health system and eventually save \$394 billion over the next five years and \$1 trillion by the end of the century.

The plan would accomplish this, the administration argues, by encouraging growth of "managed care" systems in which doctors and hospitals have a direct financial stake in holding down the amount of money they spend on patients. The plan would also strongly pressure states to use managed care in administering Medicaid and to push for its use throughout the state's health system.

In addition, the plan lists a series of specific options to cut costs.

The administration also proposed: research on the effectiveness of various treatments; reduction of paperwork by using "smart" health insurance ID cards for computerized payments and more uniform billing and coding systems; increased preventive care; and various changes in malpractice laws designed to discourage doctors from practicing "defensive medicine" for fear of being sued.

Marilyn Moon, a health economist with the Urban Institute, said she felt the savings estimates were "soft" and "optimistic."

In theory, several economists said, providing health insurance to those who are currently without it would eventually reduce the health insurance premiums of everyone else, because hospitals would no longer have to recoup the money they lose on the uninsured by charging higher prices to those with insurance.

Rivals Vie to Rip Bush's Health Plan

Kerrey Calls President 'Witch Doctor'

By David S. Broder
Washington Post Staff Writer

MANCHESTER, N.H., Feb. 6—The Democratic presidential candidates happily let President Bush set the agenda today, competing with each other to see who could find the most scathing description of the health care plan Bush formally introduced into the 1992 campaign.

Sen. Bob Kerrey of Nebraska, who has made his health insurance plan the centerpiece of his bid, set a high standard in a talk to the Air Line Pilots Association here. "George Bush has become the witch doctor of American health care," he said. "What he gave in Cleveland is the political equivalent of malpractice. We should jerk his license and let him go bone-fishing full-time."

Sen. Tom Harkin of Iowa, addressing the same group, called the Bush plan "worse than nothing" because it would do nothing to control medical costs. "It's throwing more money at a wasteful and inefficient system," he said.

Arkansas Gov. Bill Clinton told reporters in Nashua that "this set of recommendations will actually aggravate a lot of the most severe problems in the health care system today. . . . It will not do anything to lower the cost or the rate at which it's increasing, and it won't provide universal coverage. It's another set of Band-aids, designed to make it look like they're doing something when they're not."

Former senator Paul E. Tsongas of Massachusetts, another visitor to Nashua, said the proposal was "just a way of getting the words 'health care' into the State of the Union message. Nobody who is involved with health care would argue that the Bush health care plan makes any sense. What Bush has come out with is a non-starter and everybody knows that. It has no credence with any of the health care professionals."

The unanimity of the Democrats' denunciation was evidence of the opposition party's determination to keep the health care issue for itself in the general election.

But strategists for several of the campaigns said they were beginning to doubt the topic would significantly determine the battle for first place in the Feb. 18 primary here. Though Kerrey was the first to put his stamp on the issue and continues to give it top priority in his speeches, all of the others have run ads or put forward proposals, attempting to get a share of the credit.

It was not all peace and harmony, however. Harkin, visiting a Concord day-care center, hit out at Clinton and Kerrey on children's issues. "What's happened in Arkansas is that children have been left behind," the Iowan said, as an aide passed out a news release on Arkansas' standing in the categories of children's poverty, infant mortality and teenage death.

Harkin said Kerrey's proposal to cut 25 percent from discretionary federal programs over 10 years would slash millions from funds for Head Start and other children's programs. "It's got to come out of the guts of these programs," he said.

The Clinton and Kerrey campaigns rejected Harkin's claims.

Tsongas, who has been enjoying a week of mostly favorable news coverage, was asked by a voter in Nashua if he would promise to pick someone "at least moderately competent" as his vice presidential running mate.

He replied that "I ponder that all the time" and ask people "all the time to give me the names of three people" they would suggest for the job. "I will give you someone you can have faith in," he said.

Staff writers Dan Balz, Lloyd Grove, Maralee Schwartz and staff researcher Mark Stencel contributed to this report.

By John Carmody
Washington Post Staff Writer

Oh, swell. "A Current Affair" is bringing back Jennifer Flowers today in a second interview. She was interviewed Tuesday by host Maureen O'Boyle for last night's broadcast about her alleged relationship with Arkansas Gov. Bill Clinton. But after the Wall Street Journal yesterday published a potentially damaging story about the governor's Vietnam draft deferment, another half-hour was found from Flowers's original four-hour chat. A spokesman says Flowers has something to say about the governor's military career. The program airs at 7:30 p.m. on WTTG, if you can wait that long . . .

Sherrie Rollins, director of news information at ABC News, leaves the network today to join the White House staff as assistant to the president for public liaison and intergovernmental affairs . . .

And none too soon. Everybody is just about all parties out. The network in New York threw her a farewell party on Tuesday, public relations executive John Scanlon had a private party in his West Side digs on Wednesday, and today the ABC News bureau here will say farewell, starting at 4 p.m. . . .

The word is that News president Rooney Arledge has repeatedly expressed the hope Rollins might return to the network—where she's made a big impression after only a year and a half—when her service with the Bush administration is over . . .

Before joining ABC, Rollins was assistant secretary for public affairs at the Department of Housing and Urban Development. She is only the sixth woman ever to be named an assistant to the president. And, since her husband, Republican strategist extraordinaire Ed Rollins, once served as an assistant to President Reagan, she and Ed are probably the first couple ever to have both had that title . . .

So far, ABC has not found a replacement. And it isn't going to be easy . . .

CBS has acquired two TV stations and two radio stations from Midwest Communications Inc. for \$36.7 million in CBS stock and the assumption of \$141.9 million of Midwest debt . . .

The TV stations are WCCO in Minneapolis and WFRV in Green Bay, Wis. Also purchased were WCCO-AM and WLTE-FM in Minneapolis and Midwest Sports Channel, a regional sports cable channel . . .

If approved by the FCC, the purchase would increase the number of CBS-owned TV stations to seven, covering 22.2 percent of the country, up from the current 20.3 percent. The others are in New York, Chicago, Los Angeles, Philadelphia and Miami . . .

ABC owns eight stations, covering 24.4 percent, in New York, Chicago, Los Angeles, San Francisco, Houston, Philadelphia, Raleigh-Durham and Fresno . . .

NBC owns six TV stations, covering about 22 percent, in New York, Los Angeles, Washington, Chicago, Miami and Denver . . .

Current FCC rules say network-owned stations can cover up to 25 percent . . .

In Other News

Roger Colloff, vice president and general manager of WCBSTV in New York since April 1984, died of cancer yesterday at Mount Sinai Medical Center in Manhattan. He was 46. Mr. Colloff joined the network in 1975 as director of government affairs for CBS Inc. in Washington. The next year he left to become a senior staff member in the Carter-Mondale presidential campaign and subsequently held several administration posts. He returned to CBS in 1979 as vice president and assistant to the president of CBS News . . .

Mr. Colloff is survived by his wife, Margery; a daughter, Pamela; a son, David; his parents, Isadore and Shirley, of Teaneck, N.J.; a brother, Bernard, of Rivervale, N.J.; a sister, Tamara, of Washington; and a grandfather, Morris Dessen, of Chicago. A memorial service is scheduled today at 9:30 a.m. at Anshe Chesed Temple, West 100th Street at West End Avenue in New York . . .

A spokesman for Sally Jessy Raphael said yesterday that the talk show host will resume taping her syndicated programs on Monday, Feb. 17. "Mrs. Raphael will remain in seclusion with her family until her return to work," according to Cindy Schneider . . .

Raphael's daughter Allison Vladimir, 33, died of respiratory arrest Sunday . . .

In a statement issued yesterday, Schneider said, "In light of Sally's loss, Sally has requested that Allison's legacy be a reminder to all of us to cherish each and every moment with our own children and to feed and love the children of the world" . . .

Now This

The "Today" show managed a first-place tie

with ABC's "Good Morning America" for the week ending Jan. 31, the fourth time since September that the NBC show has caught up with the front-runner . . .

Ties or no, the ABC show has been in first place for 109 straight weeks now. Last week, NBC and ABC tied at 4.1/19. "CBS This Morning" did a 2.7/12 . . .

A near-perfect segue to the startling news that GMA will be in Hollywood all next week broadcasting live from the sets of five, popular programs from four networks over five mornings . . .

Many of the series stars are supposed to be there, too, yawning and scratching at 4 a.m. Pacific standard time. Monday GMA visits the set of ABC's "Home Improvement"; Tuesday, CBS's "Murphy Brown"; Wednesday, NBC's "Night Court"; Thursday, the syndicated hit "Star Trek: The Next Generation"; and Friday, FOX's "Beverly Hills, 90210" . . .

Also appearing live on Thursday will be the programming bosses of four networks—CBS's Jeff Sagansky, ABC's Bob Iger, NBC's Warren Littlefield and FOX's Peter Chernin. They, however, will be allowed to sleep an extra hour and will appear—from the observation deck of the Starship Enterprise, yet—during the entire half-hour that starts at 8 a.m. GMA claims that this will be the first time the four programming executives have ever appeared together on live TV. The Airwaves Investigative Reporting Team is currently looking into the allegation . . .

CBS News's "48 Hours" set a series ratings record Wednesday night with its "special" on the assassination of JFK. But the NBC lineup won the night . . .

The network averaged a 13.4 national Nielsen rating and a 22 percent audience, thanks to an 18.6/30 from "Unsolved Mysteries" at 8 . . .

CBS finished second with a 12.6/21. "Davis Rules" did a 10.5/17, "Brooklyn Bridge" just 8.5/13, the conclusion of a two-part "Jake & the Fatman" 11.5/18 and the aforementioned "48 Hours" 16.9/29 . . .

That exceeded the 16.8/30 the series managed on Super Bowl Sunday, Jan. 26, and its previous regularly scheduled program high, a 15.7/28 for an April 10, 1991, edition about "spring break" . . .

CBS said more young males than usual watched Wednesday's broadcast . . .

In Washington, the JFK hour averaged a 17.9/31 on Channel 9, compared with a 5.3/9 for "Civil Wars" on Channel 7 and a 9.3/15 for "Quantum Leap" on Channel 4. Each local ratings point represents 18,199 TV homes; a national point, 921,000 TV homes . . .

Back on the National Scene, ABC averaged just a 10.9/18 on Wednesday night. "Dinosaurs" registered an 11.2/18, "The Wonder Years" 13.6/21, "Doogie Howser, M.D." 13.4/21, the penultimate episode of "Anything but Love" 10.0/16 and the penultimate episode of "Civil Wars," before it moves to Tuesday nights, anyway, 8.6/15 . . .

Pee-wee Herman, a.k.a. Paul Reubens, has produced an anti-drug video to fulfill a community service requirement in his plea bargain on indecent exposure charges, according to Pee-wee's probation officer . . .

The 30-second animated video has been viewed by Sarasota (Fla.) County Judge Judy Goldman, who had ordered Reubens to produce the spot and pay \$135 in fines and court costs, according to Salvation Army corrections officer Pat McCabe. McCabe said the video is "very enjoyable; it's extremely well done," but declined to reveal details because he didn't want to spoil its still-unscheduled debut. He said neither Reubens nor his Pee-wee character appears in it . . .

Reubens, 39, pleaded no contest in November to the charges after sheriff's detectives said they saw him masturbate in an adult theater last July . . .

NBC Entertainment has announced that the new Norman Lear series "The Powers That Be" will be launched with a one-hour premiere on Saturday, March 7 . . .

The series will air in the 8:30 Saturday time-slot starting the next week. John Forsythe stars as a dumbbell senator whose rich wife is nudging him toward the presidency. In the premiere, an unknown illegitimate daughter shows up, but that story line will fade into the background as the series continues . . .

The Corporation for Public Broadcasting has named Richard E. Eissworth as director, station relations. He has been director of station services for National Public Radio. And he starts March 2 . . .

About 2 p.m. yesterday, Alexandra Remy Goodman arrived at Mount Sinai Hospital in New York, weighing 6 pounds 11 ounces. Mom is Marie Vogliano. Dad is Tom Goodman, director of communications at CBS News in New York. Alexandra is the couple's first . . .

Within the hour, Susan Kerr gave birth to a still-unnamed girl, weighing 9 pounds, at New York Hospital. Proud papa is Allan Dragone. She's the director of communications at CBS Sports in New York . . .

The Choices

Domestic Support, Moral Choices

When President Bush met with leaders of Jewish organizations in November, he made a strenuous appeal for help in supporting the Administration's foreign aid bill. With the cold war over, he said, the Jewish groups, with their focus on Israel, might be the last political constituency in America backing foreign aid.

"The American people never really endorsed Harry Truman's support for NATO, Bretton Woods or the Marshall Plan," said Representative David Obey, the Wisconsin Democrat who chairs the House Foreign Operations subcommittee. "They acquiesced in them, though, because they knew he was engaged at home, because they were animated by the cold war and because Truman was operating in the context of a balanced budget and rapidly rising family income. All of those are absent today."

That has begun to force some hard choices. Since the cold war's end, foreign aid for countries like Pakistan, the Philippines, Turkey, Israel, and most of Sub-Saharan Africa — which were once thought of as essential chess pieces in the great cold-war game of nations — seems to many a wasteful luxury.

"What many internationalists don't understand," Mr. Obey said, "is that if they insist that we stay involved up to our elbows in all corners of the world, they will experience a backlash from the American public that will make it difficult to stay involved anywhere."

The Administration says "we need to defend ourselves against this risk and that risk," Mr. Obey continued. "But the average American family feels at risk every day when they walk out of the house with no health insurance. So you have to make choices."

Mr. Obey argued that the Administration must begin differentiating between immediate and important foreign policy issues and others that are marginal. If it does not, he said, the American public will not discriminate either.

The result, he suggested, will be a more isolationist country unless the foreign-policy managers "engage in the same self-discipline that people on the domestic side of the ledger have been asked to engage in for the past 15 years."

That is another reason, said Michael J. Sandel, a Harvard University political theorist, that America's role in the world "must be redefined with an affirmative purpose that will command domestic political support and the spending it would require to implement."

Containment was a negative definition of purpose. For Mr. Sandel, the obvious affirmative policy is to nourish emerging democracies in the former Communist world and elsewhere: that can be justified on security grounds using the argument that democracies rarely initiate aggressive wars, and on moral grounds because spreading democracy is the natural expression of America's deepest ideals.

But as worthy and logical as such goals might be, investing in the prevention of chaos in the former Soviet Union is nevertheless an abstraction to most Americans.

"What is peculiar to the United States," Deputy Secretary of State Lawrence S. Eagleburger said in a recent address, "is that every generation or so we debate not only the merits of this or that policy, but the existential purpose of American foreign policy itself."

"Such a debate would be almost unthinkable in most other countries, where foreign policy is deemed to serve national interests, which themselves are seen as timeless and immutable."

But in the United States, "we have tended to believe that our foreign policy must serve a moral purpose," Mr. Eagleburger said. Therefore, any time America finds itself unable to steer clear of foreign engagements, it needs to justify them by viewing them as some sort of moral crusade — whether it was making the world safe for democracy after World War I, or against Communism after World War II.

"But crusades eventually run their course," he continued, "and we are then left without a rationale for policy once the crusade is over."

With the cold war's end, he concluded, "it may well develop that we are on the lip of a period of absence of clear purpose, as we enter the final years of the century."

BUSH UNVEILS PLAN FOR HEALTH CARE

\$100 Billion Proposal Fills Gap in His Re-Election Bid

By MICHAEL WINES
Special to The New York Times

CLEVELAND, Feb. 6 — President Bush moved today to plug a gap in his election-year domestic plans by proposing several tax incentives and other changes in the law that he said would make quality medical care affordable for every American.

In making his plans public, Mr. Bush joined the Democratic Presidential candidates in proposing ways to improve the nation's health-care system. Like his State of the Union Message last Tuesday, it was introduced with much fanfare, but it was viewed cautiously in some quarters.

White House aides estimated that the plan would cost about \$100 billion over the five years that would be required to put it into effect. They offered no specific plan to meet the expense, but they suggested that the money could be raised by limiting the growth of Medicare and Medicaid and by other savings that could be worked out later with Congress.

Growing Public Interest

Asked today how he would pay for the program, Mr. Bush replied, "We'll figure that out."

As a practical matter, Mr. Bush's plan has no chance of becoming law because the Democrats who control Congress are offering distinctly different plans. But his entrance into the debate over a topic that has generated a great deal of interest among the public increases the likelihood that some health insurance plan will be enacted in the next few years.

Under Mr. Bush's plan, poor people

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President Announces a \$100 Billion Plan to Improve Health System

Continued From Page A1

would receive tax credits and families with incomes of up to \$80,000 would be granted tax deductions to help pay for medical insurance. Mr. Bush would also change laws to guarantee that even the chronically ill could find insurance coverage, and he would induce Medicare and Medicaid patients to use health maintenance organizations and other alternatives that are less expensive than private doctors.

Lawmakers of both parties and the Democratic Presidential candidates are backing more ambitious measures to overhaul the existing health care system. For example, one Democratic bill, approved last month by the Senate Labor and Human Resources Committee, would require employers to provide medical insurance for their employees or pay an additional tax to finance a Government insurance plan.

Other plans under consideration range from full-scale, Government-paid national health insurance to a proposal by conservatives that would require all Americans to buy private medical insurance.

On Capitol Hill today, Democrats called the Bush plan inadequate. Some Republicans endorsed it, while others merely said they were happy Mr. Bush had become involved in the debate.

The immediate effect of today's announcement is to allow the White House to say that it is addressing the

issue of health care in the election campaign. Mr. Bush had hoped to avoid the issue until after the election, but his hand was forced last fall when former Attorney General Dick Thornburgh was upset in an election for a Pennsylvania Senate seat by a Democrat who made affordable health insurance his main issue.

Aid for 95 Million

In Mr. Bush's speech before the Greater Cleveland Growth Association, he called his new package "the right plan" that would lower medical and insurance costs for 95 million citizens, including many of the estimated 35 million, or 13 percent of the population, who now lack health insurance.

But much of his address was spent in a slashing attack on the Democratic proposals, which he called "a cure worse than the disease."

Mr. Bush's plan relies mostly on financial incentives to make the existing health care system more complete and efficient. Most of the Democratic proposals and some of those offered by Republicans envision a greater Federal role in insuring care for the poor.

Arguing that his plan "will preserve what works and reform what doesn't," Mr. Bush said: "When we talk about health care, we're talking about matters of the most personal nature — in some cases, literally, life and death decisions."

"We don't need to put Government between patients and their doctors," he

added. "We don't need to create another wasteful Federal bureaucracy."

The President's address drew but a tepid response from the crowd of Cleveland business leaders, who interrupted it only once, when they applauded an attack on rising malpractice costs.

On Capitol Hill today, George J. Mitchell of Maine, the Senate Democratic leader, called Mr. Bush's plan "woefully inadequate," and Senator John D. Rockefeller 4th of West Virginia, a leading Democrat on health issues, said it was "little more than a timid gesture."

Senator John H. Chafee of Rhode Island, the chief sponsor of a Republican health bill, said Mr. Bush's offering was a "welcome addition to the national debate."

Under the President's plan, the maximum credit or deduction would be \$1,250 for a single person, \$2,500 for a couple and \$3,750 for families with children. The amount of credit or deduction would fall as income rose. Individuals with incomes above \$50,000, single parents with incomes over \$65,000 and couples with incomes over \$80,000 would not be entitled to deductions.

Covering Cost of Basic Plan

Those who already receive Medicaid, Medicare or other Federal health benefits would not be eligible. Medicaid, the Government health plan for poor people, covers 30 million people, but that is

only about 40 percent of people below the poverty level. More than 35 million people have no medical insurance, while 34 million are covered by the Medicare program for the elderly and the disabled. About 177 million people, including many enrolled in Medicare, have some type of private insurance.

Taxpayers who are self-employed would be allowed to deduct the entire cost of their health insurance under the Bush plan regardless of income, up from the present 25 percent.

Today, \$3,750 would be enough to buy the most basic family medical insurance. Mr. Bush would increase the maximum credits and deductions annually to offset the effect of inflation. But the increases would be tied to the rate of overall inflation, which was 3.1 percent in the last 12 months, not the higher rate of inflation in medical costs, which was about 11 percent, so the value of the tax benefits could gradually be eroded.

The tax credit for poor people would help defray some of the cost of subscribing to employer health plans. It could also help buy private insurance or a basic package of benefits that all insurers would be required to offer.

Proposals on Insurance

In addition to the tax changes, Mr. Bush proposed legislation that the White House said would make the insurance business more competitive and equitable.

One change would outlaw "cream-

Revamping Health Care: Highlights of the Bush Proposal

- A voucher worth up to \$3,750 to poor families that could be used only to buy medical insurance.
- A tax deduction up to \$3,750 for families with incomes up to \$70,000 and a lower deduction for those with incomes from \$70,000 to \$80,000. There would be no deduction for families with incomes higher than \$80,000.
- Full deductions of medical insurance premiums for the self-employed.
- A requirement that companies provide coverage to anyone willing to pay for it, regardless of pre-existing medical conditions.
- Inducements for small businesses to band together to buy medical insurance for their employees, lowering their cost by spreading the risk.
- Changes in medical malpractice and antitrust laws to hold down medical costs.
- The encouragement of health maintenance organizations in private plans, Medicare and Medicaid.

skimming," a practice in which insurers provide coverage only to profitable low-risk groups and curtail coverage or raise prices for policies that cover persons who are often sick or at risk of catastrophic illnesses.

Mr. Bush's plan would require insurers to provide coverage to anyone who sought it and to abolish "pre-existing conditions" clauses that limit coverage for new employees. Many workers today are unable to change jobs because they cannot obtain medical insurance from a new employer.

A second proposal would encourage small businesses to band together to buy insurance, spreading the risk among them. Mr. Bush's visit to Cleveland was scheduled in part because the city is home to an organization that has lowered health insurance costs for about 10,000 small companies that way.

Are Foreign Affairs Still a U.S. Affair?

Rethinking Foreign Affairs: Are They Still a U.S. Affair?

By THOMAS L. FRIEDMAN
Special to The New York Times

WASHINGTON, Feb. 6 — When the editors of Foreign Affairs magazine talk about the foreign policy article they would most like to publish today, they dream of "X."

That was the pseudonym George F. Kennan used for his classic Foreign Affairs article published in July 1947. In one word, it set the American foreign policy agenda for the next four decades, through the cold war. The word was containment.

The article argued that the West should simply try to contain the spread of Communism, rather than work to overthrow or soften it. Eventually, Mr. Kennan wrote, Communism would collapse from rot within.

Beauty of Containment

"Now that the cold war is over," said Peter Grose, Executive Editor of Foreign Affairs, "we are looking for another X — someone who can come along and write the single article laying down the architecture that will shape our foreign policy for the next 40 years."

But so far no one has come forward, and it won't be so easy.

The beauty of containment was that it provided a seemingly easy guide for policy makers, telling them what was important and what was not, what was a threat and what was not, where they should put their resources and where

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After the Cold War

Last of six articles.

they should not. But with the passing of the cold war, no new byword has come along.

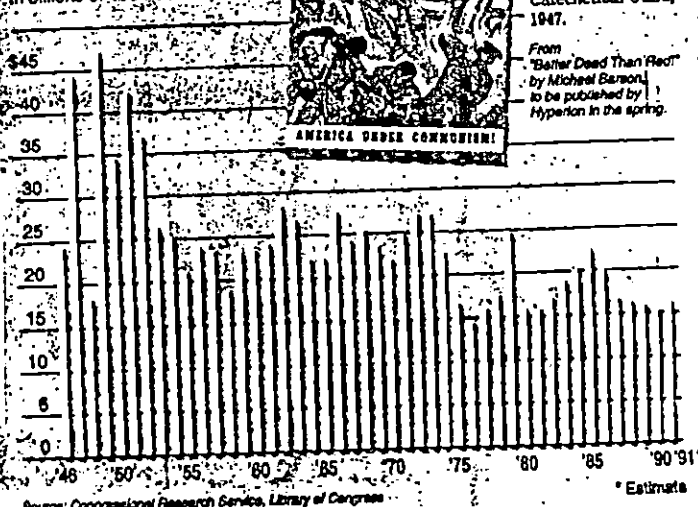
"We have a foreign policy today in the shape of a doughnut — lots of peripheral interests, but nothing at the center," said Michael Mandelbaum, a foreign-policy expert at Johns Hopkins School of Advanced International Studies. "There is no one central problem from which all others emanate and which can be used to galvanize the public."

Instead of one core issue, it appears that future American foreign policy will focus on at least three loosely

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Foreign Aid: A Slimmer Look

Total U.S. foreign aid each year, in billions of 1991 dollars.



The Ultimate Fear
Comic book published by the Catechetical Guild, 1947.

From "Better Dead Than Red" by Michael Barson, to be published by Hyperion in the spring.

The New Era Foreign Affairs, Minus Soviets

Edward P. Djerejian, the former American Ambassador to Syria, was in the garden of his residence in Damascus the evening of June 20, 1989. Most of the city's other foreign diplomats were there, as were many senior Syrian officials. Ambassador Djerejian was giving a surprise birthday party, but it wasn't only the guest of honor who was stunned. That was because Mr. Djerejian was giving the party for his close friend Aleksandr Zorotov, the Soviet Ambassador.

"When the Syrians saw that party, they really got a microcosm of the new world," Mr. Djerejian said. "They understood that the relationship between the United States and the Soviet Union was really changing."

In the months after that, he said, "when I would come to them to talk about free-market reforms, terrorism, the peace process, they were much more responsive."

Bernard W. Aronson, Assistant Secretary of State for Inter-American Affairs, recalls that his first trip in his new post was not to Central or South America, but to Moscow.

"I went there precisely to deal with the problems of the region — mainly Nicaragua," he said. "Today, when I think of how to deal with the problems of the region, I am more likely to go down the street to the O.A.S. headquarters."

The first sign of that new emphasis was in the way the United States responded to the coup in Haiti in September, by mobilizing the Organization of American States to impose sanctions on the military-led Government in Port-au-Prince until it restored the democratically elected President.

"The Latins and Caribbeans are much more willing to cooperate with the United States because they recognize that the democratic game is the only game in town," Mr. Aronson said. "But we also have an interest in relying more on multilateral approaches to prove that we are not going to be bullies, and the new world order is not going to be an American imperium. Also, we alone cannot sustain the level of resources required to address the problems of the hemisphere."

As Assistant Secretary of State for African Affairs, Herman Cohen used to spend a lot of time in a seemingly incongruous place: Tampa, Fla. But that is the headquarters of the Pentagon's Central Command, which has responsibility for the Persian Gulf and Indian Ocean and saw East Africa as an area of competition with the Soviets.

"During the cold war, it was really non-African issues that dominated African policy," Mr. Cohen said. "We wanted a base in

Somalia, use of an air field in Kenya, prepositioned equipment in Djibouti. That took up a lot of my time."

In the 1970's American military assistance to Africa hovered near \$300 million a year. Today it is \$30 million a year, and much of that is spent on coastal patrol boats to help African nations protect their fishing industries from Korean and other foreign poachers. Mr. Cohen is free to spend more time coordinating assistance to the continent's governments and trying to push them toward democracy.

That was supposed to be America's agenda in Africa all along. But it wasn't, because of competition with the Soviets in places like Angola and Ethiopia.

As for travel, Mr. Cohen says Tampa is now being replaced by Tokyo.

"Japan's aid budget to Africa is \$1.2 billion a year," he said. "That is bigger than ours. We have an interest in getting them to spend in ways that are consistent with our own agenda."

The New Experts Bringing Civics To Ex-Soviets

Nowhere in the State Department has the end of the cold war had more of an effect than on the Soviet desk.

"The whole job of the Soviet desk changed over the three years I was there," said Alexander Vershbow, who headed the Soviet desk from 1988 until the fall of 1991. "When I took over, the principal task was still carrying out the policy of containment in all its aspects — fighting Soviet imperialism in Afghanistan, arms control, monitoring the travel of Soviet diplomats in the United States. Today, the central task of the Soviet desk is helping to refashion former Soviet society and bring it into the free world."

Since the breakup of the Soviet empire, the Soviet desk has reorganized itself more around expertise on individual republics, and also hung out a new shingle: "Office of Independent States and Commonwealth Affairs."

Previously expertise in the sub-nationalities "was a sidelight handled by a few odd folks who took an interest in Central Asia," as Mr. Vershbow put it. "Now, we are creating desk officers to deal with the individual republics, and we're stocking our missions inside the former Soviet Union with Ukrainian and Turkmenistani speakers."

But not only do Soviet experts have to know more about Soviet nationalities, Mr. Vershbow said, they also have to be much more knowledgeable about basic American institutions, and concepts like federalism, taxation and separation of powers.

"One of the biggest skills you need now on the Soviet desk is basic American civics, because in a sense that is what the republics most want and need from us," Mr. Vershbow said. "They want to know how a judicial system really works and how our whole political process works. These republic leaders come parading through Washington every day now and you have to be able to steer them to the right expertise."

Bush on Health: Smart, Gutless

The health care plan President Bush outlined yesterday in Cleveland strides in the right direction. It outlines creative ways to insure all poor families in the nation, promote group coverage and strip away legal obstacles to an efficient system of managed care. The plan also sets forth a vision of how costs could be controlled.

Yet this plan won't work. At decisive junctures, Mr. Bush cowers. He would cover the poor, but nearly strand the near-poor. He calls for consumers to choose cost-conscious insurance policies, but backs away from the single step that would make that happen. And he would encourage small firms to form large insurance pools, but fails to force their participation.

These are serious, but remediable flaws. With a few bold strokes, Congress could preserve the vision and correct the errors. The end product might not be ideal, but it would insure that no American need fear bankruptcy just because of illness.

Key elements of the plan include:

Coverage of the poor. Any poor family needing care would be automatically enrolled in an insurance plan. Families below the poverty line would qualify for a voucher worth up to \$3,750 a year. States would be required to make available comprehensive insurance for that amount.

Unfortunately, the credit would be phased out too steeply. Even though the plan would also provide a new deduction for medical costs, near-poor families would still be strapped to pay their bills.

Cost control: The Bush plan can't control costs unless employees are pressed to choose low-cost plans among options provided by employers. But the White House backed down from the one measure that would work: limiting tax deductions for

insurance premiums so that workers would be compelled to shop wisely. This is the plan's fatal flaw. Mr. Bush could have used the tax savings to pay for his \$100 billion plan; instead, he made no firm financing proposal. Unless he summons the courage — presumably after elections — to cap tax-deductible insurance premiums, his plan crumbles.

Small-business insurance pools: Small firms have a strong incentive to hire only healthy workers to avoid high insurance costs. Mr. Bush would wisely encourage small employers to band together to buy insurance, but his proposal lacks bite. Small firms that go it alone shouldn't be allowed to write off insurance premiums from taxes.

Protecting the chronically ill: The Bush plan would forbid insurers from shunning the sickest people. But enforcing such regulations is notoriously difficult. The plan would cleverly overcome resistance, by requiring insurers who enroll individuals likely to be healthy — say, young non-smokers — to pay a small tax that would be used to compensate insurers who enroll individuals likely to become chronically ill, like the elderly.

Encouraging managed care: Mr. Bush accepts the idea that managed care plans, run by sophisticated buyers, are best able to control costs and monitor quality. He wisely proposes to pre-empt state laws that stymie managed care. He would also provide financial incentives for the elderly to join health maintenance organizations and for the states to set up cost-effective H.M.O.'s for their Medicaid population.

It's easy to pick out flaws. The plan doesn't cover long-term care or adequately adjust vouchers for inflation or regional differences in costs. But the overarching vision is right: protect the poor and encourage cost-effective managed care. What's needed now is the guts to enforce the vision.

No Demons in Central Asia

The Bush Administration is right to speed the posting of new American ambassadors to Azerbaijan and the former Soviet Central Asian republics of Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. But Washington shows alarming signs of succumbing to a simplistic fear of a pan-Islamic bloc.

These countries have a legitimate need to diversify their economic links, and that includes trade with Iran or other Islamic countries. A panicked reaction in Washington could actually provoke the kind of religious polarization it is meant to combat. Secretary of State Baker needs to examine these issues with an open mind when he visits the region next week.

Iran's international activities are genuinely worrisome. President Hashemi Rafsanjani presents a more moderate image than his predecessor, Ayatollah Khomeini. But Iran continues to pursue a worldwide campaign of assassinations, death threats and support for terrorism. And it is

actively shopping for missiles and nuclear bombs.

Iran hopes to draw the former Soviet republics into its orbit and has been aggressively wooing several of them. But Teheran's efforts face major obstacles. Most of these countries are Turkic in language and culture, not Persian, and many of their Muslim inhabitants are Sunnis, not Shiites.

More important, all have just emerged from foreign domination and are scarcely eager to rush into any other country's exclusive embrace.

It is reasonable for these countries to wean their economies away from distant European centers and develop new rail and trade links with Turkey, Iran, Pakistan and China. Such steps would fortify their independence and their economies, goals Washington has an interest in encouraging.

Only in the last few months have U.S. relations with Central Asia been freed of the distortions of Russian imperialism and Communist ideology. There's no need to rush into new distortions based on a hypothetical pan-Islamic threat.

End the Ban on Fetal Research

This week the Senate Labor and Human Resources Committee took very wise action: it approved a bill to end the Bush Administration's ban on experiments with transplanted fetal tissue. Such tissue can play a vital role in facilitating research on Parkinson's disease, Huntington's chorea, childhood diabetes, perhaps even Alzheimer's disease. The study of fetal cells also might be useful in the treatment of cancer.

The rationale for the ban, first imposed by the Reagan Administration, has always seemed flimsy. Dr. Louis Sullivan, speaking for the Bush Administration, worries that some women considering an abortion might be swayed to go ahead by the idea that the tissue of their fetus would help medical research.

But Dr. Sullivan, who is Secretary of Health and Human Services, surely knows better. Fetal tissue

is far from scarce — there are over one million abortions in the United States every year — so there is little demand for more. And any possible financial incentive for ending a pregnancy can be eliminated, as two Federal panels advised in 1988, by amending the law that bans the sale of human organs to ban the sale of fetal tissue as well.

Another unlikely prospect — that some women might deliberately become pregnant and then abort to provide fetal tissue for an ailing relation — can be guarded against. The same Federal panels recommended a ban on Federal funding of experimental transplants performed with fetal tissue provided by a patient's family or friends.

Never mind what the panels said; the Administration appears determined to prevent research that could save countless lives. For a President who proclaims himself pro-life, this is an irony indeed.

Bush Treats Us Like Children

By Fritz Stern

Nations, like individuals, like to be flattered, and all too often leaders oblige. The top nations of Europe used to indulge in bombastic rhetoric in which the past would often be distorted and the present disguised. America should not succumb to such stratagems. And yet President Bush's State of the Union Message to Congress was an egregious example of this type of ritualistic delusion.

We should remember that self-righteousness is often a child of uneasy and uncertain power and that realism, an effort to grasp the truth, is a prerequisite for effective leadership at home and abroad.

President Bush faced a contradictory task: he wanted to celebrate our nation's foreign triumph amid internal conditions that threaten our traditions and betray our promise. To celebrate the victory, he distorted history: "By the grace of God, America has won the cold war." Our efforts have been great — great enough so that the heroism of the peoples of Eastern Europe could have been acknowledged. Without the thousands of dissidents in the Soviet Union and those in Poland, Hungary and Czechoslovakia who risked their lives to overthrow an ever-lying tyranny, we could not have prevailed and there would be no freedom in Eastern Europe. The U.S., at great cost, resisted Communist expansionism; the final collapse of Soviet tyranny, unlike that of Nazism, was brought about by indigenous forces.

The President said "Communism died this year," which might be news to China. Or did the President, who promised to "continue to lead in support of freedom everywhere," have to proclaim the death of Communism to make palatable his encounter with Prime Minister Li Peng, the executioner of Tiananmen Square?

To trumpet victory by distorting the record is a dangerous tactic. To use "the defining moment" to lull a

people into a false sense of security is especially dangerous. How can one assert that America remains "the economic leader of the world" after years of decline and neglect? After the demeaning trip to Tokyo?

Mr. Bush claimed, "We are still and ever the freest nation on earth, the kindest nation on earth, the strongest nation on earth." The kindest? Is that what our streets suggest? The strongest — as measured by the quality of our schools, our economy, our highest court?

The world "now recognized one sole and pre-eminent power, the United States." But is it wise to believe that "the world trusts us with power... They trust us to be fair, and restrained. They trust us to be on the side of decency. They trust us to do what's right." Would that it were so.

With assumptions like these, we are likely to become deaf or insensitive to the world outside. In our great moments of constructive resistance, as during the Berlin Airlift, our leaders spoke more modestly.

Pre-eminence is ever uncomfortable and costly, but global pre-eminence based on domestic fragility is particularly precarious. To face this contradiction demands realism.

Analogies are always approximate, but Mr. Bush's tone recalls the time at the beginning of this century when Germany was Europe's pre-eminent power and its leaders were filled with uneasy hubris that inspired a kind of political autism and a catastrophic overestimation of their power. We could learn from the German fatality, as should the Germans who have again, and in part as a reward for post-1945 prudence, reached a new pre-eminence in Europe.

This country deserves better than bombast. The people can be trusted with the truth, which in any case they intuit or experience. Many know that the unleashed greed of the last 12 years will haunt us for years to come. Many are fed up with sanctimonious sleaziness, pious words and cynical deeds. We have much to be grateful for — all the more imperative our obligation to confront our economic and moral deficits with informed energy, with a strong national will, but not with Presidential hubris.

Fritz Stern is professor of history at Columbia University.

His State of the Union Message was bombast and

As U.S. Urges Free Markets, Its Trade Barriers Are Many

By KEITH BRADSHAW
Special to The New York Times

WASHINGTON, Feb. 6 — President Bush and Democrats both want Japan and other countries to open their markets to American goods, but in the international trade debate, the United States does not come to the table with clean hands. In comparison with Japan and America's other major trading partners, the United States is less protectionist — but many barriers to imports remain.

Quotas double the price of sugar in morning coffee and limit imports per American to no more than seven pe-

INSIDE

Now Headache for Clinton

A news account suggested that Gov. Bill Clinton had manipulated the draft process to avoid Vietnam-era service. He denied it. Page A16.

Holtzman Seeks Senate

Elizabeth Holtzman has one, driving ambition: to unseat Senator Alfonse M. D'Amato of New York. And her tone is bitter. Page B1.

Gotti vs. Judge

In a burst of anger, the judge in the John Gotti trial threatened to move the trial out of New York. Mr. Gotti called him names. Page B1.

JEWISH WOMEN/CHILD REMEMOR TO LIGHT
Shabbat candles 18 minutes before sunset. In NYC 6:01.
Outside NYC 1:00 SABBATH. — ADVT.

nuts, a pound of dairy cheese and a lick of ice cream each year. Fresh cream and milk are banned; frozen cream may be purchased only from New Zealand. And the Customs Service recently turned back a shipment of buttered croissants from France because it violated a quota on French butter shipments.

Imports of men's heavy and worsted wool suits are capped at 1.2 million, the equivalent of one for each male manager and professional every dozen years. The Commerce Department has imposed punitive duties on martial arts uniforms from Taiwan, awning window cranks from El Salvador and the tiny pads for woodwind instruments from Italy after determining that they were being sold, or "dumped," at unfairly low prices.

Sprawling and Inconsistent

This sprawling and inconsistent collection of quotas, tariffs and other barriers reflects lobbying by many industries, as well as the occasional national-security concern. The result has been higher prices for American consumers and fewer opportunities for millions of people in developing countries to escape poverty by growing crops or stitching clothes for people in wealthy countries.

The Reagan and Bush Administra-

Continued on Page D4, Column 1

WITH ANNIVERSARY OF RESTRICTIVE CITY
Zoning ordinance—Gov't. Planning created housing
shortage crisis. Seymour Durel, 1133 6th. — ADVT.

tions have limited imports of steel and computerized factory machines, created customs processing fees for incoming merchandise and tightened controls on imports of sugary foods and natural-fiber clothing.

"There is so much hypocrisy and deception shot through our whole trade law system," said James P. Bovard, a Washington trade analyst and author who studies United States import barriers. "The extent of American protectionism is much worse than many people believe."

Administration officials acknowledge that there is little rhyme or reason to the nation's trade barriers, but contend that these barriers pale by comparison with others. "It's hard to say any country that's enduring a \$65 billion to \$70 billion trade deficit is a protectionist country," said J. Michael Farren, the Under Secretary of Commerce for International Trade. "It's absolutely absurd to say that this market is closed or restricted. We have the most open market in the world."

Economists at international organizations tend to think that the United States, while far from pure, at least has a somewhat better record than its major trading partners. According to the World Bank, for example, Japan has high trade barriers covering a quarter of its imports. The United States and the European Community have such barriers only for a sixth of their imports.

The European Community's record is also worse than these figures might indicate, said Alexander J. Yeats, the principal economist in the World Bank's international trade division. Much of the European Community's imports enter duty free from allies in Africa and Europe, so that the brunt of the community's protectionism falls on the United States, Japan and other developing countries, he said.

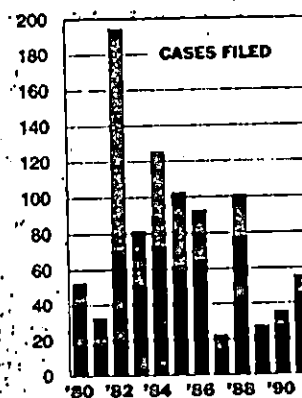
Yet Americans still pay as much as \$75 billion a year more for goods thanks to import fees and restrictions — a sum equal to nearly a sixth of the nation's annual import bill of \$490 billion.

Individually, the costs pile up slowly — here a couple of extra dollars for a Hong Kong garment, there a few extra pennies for sugar from the Indian Ocean nation of Mauritius. But taken together, the losses to Ameri-

Continued From Page A1

While U.S. Urges Free Markets, Its Own Trade Barriers Are Many

Trade Disputes and Penalties

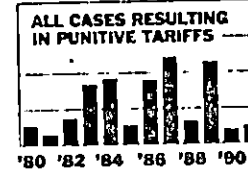


Source: Commerce Department

Annual trade cases filed with the Commerce Department.

Countervailing duty cases
Involve goods illegally subsidized by foreign governments.

Antidumping duty cases
Involve the sale of goods at unfairly low prices.



*Figures for 1991 are through Oct. 25.

The New York Times

can consumers are significant because of a political system that tends to tax the majority to help the few who are hurting.

The Mechanics

Rag-Tag Group Of Trade Laws

The United States has 3,600 product quotas, mostly for apparel and agriculture, and a few tariffs that run as high as 458 percent. Mr. Bovard said. But most industrial products are subject to only a modest tariff.

A succession of international trade agreements has made it harder for the United States and its major trading partners to impose quotas or high tariffs on industrial goods. The response, both in the United States and overseas, has been to devise laws and regulations that keep out specific products from a few countries for social policy as well as for economic reasons.

Federal contract rules setting aside money for minority businesses exclude foreign companies. And envi-

ronmental groups have won a court decision banning imports of low-priced tuna from several dozen countries because they buy tuna from three countries that kill a lot of dolphins.

A Federal labeling regulation prevents Italy and Spain from labeling their bubbly wine as champagne because it does not come from the French region of that name, but allows American wineries to do so.

American law also allows companies, labor unions and the Federal Government to file legal cases against foreign producers charging that they get unfair government subsidies or are dumping goods at unfairly low prices in the United States. As a result of such cases, the United States has imposed special tariffs on pistachio nuts from Iran, residential door locks from Taiwan and frozen french fries from Canada.

These cases are easy to win and therefore more often filed when the dollar's value is high, as it was in the mid-1980's, or during an economic downturn, as occurred a decade ago. After a low of 29 cases in 1989, the number of trade case filings rose in 1990 and again in 1991 as the economy weakened.

The rag-tag collection of trade laws is a constant cause for complaint both by free-trade economists, because of the artificially high prices the restrictions produce, and by economists who advocate Government assistance to industry. Economists favoring government intervention say the rules should help high-technology, high-wage industries rather than just any industry with hired legal help and political muscle.

The Theory

Efficient Trade And How it Works

Most of the arguments between the two schools revolve around the often mentioned and seldom explained concept of comparative advantage.

First detailed by David Ricardo in 1817, the theory of comparative advantage holds that countries should export products that they can produce relatively more efficiently than other countries and import products for which they are relatively high-cost producers.

Free trade economists typically contend that comparative advantages occur naturally from the available labor, capital and natural resources available in a given country. Interventionist economists contend that the government can choose industries that will thrive and give them subsidies and protection.

The unresolved question in this debate is whether government-assisted industries take away resources that a free market might otherwise send to new industries.

Take the case of Judith J. Meadows, a 19-year employee of a small-town blanket mill in North Carolina.

She is an example of how people sometimes stay in protected industries instead of moving to more competitive businesses. After years of interest in nursing, she finally enrolled two years ago in part-time nursing courses at a local community college. She wants to become a licensed practical nurse and leave the shrinking textile industry even though it has been protected with trade barriers.

"People are just unsure of what's going on," Ms. Meadows said, and so are starting to look to other industries for job security.

Her new field, health care, has relatively few protections; it also does little to help the nation's trade deficit. And the Federal Government offers little retraining and relocation assistance to hundreds of thousands of American workers in industries that, unlike Ms. Meadows', have not been given decades of protection to adjust to foreign competition.

The Pressures

Powerful Lobbies, National Security

Few industries have been as successful as America's sugar producers in keeping prices two or three times above the world price with Washington's blessing. Sugar currently sells for 8.5 cents a pound internationally. But food processors that use sugar cannot import more than a quarter of the nation's consumption, and must pay 21.5 cents a pound in tariffs and foreign grower fees even for that.

For decades, the nation's big sugar producers and large users, led by the Coca-Cola Company, used to meet every year at the Sheraton-Carlton Hotel in Washington and strike deals on how much sugar each state would produce, how much sugar would be imported and what the price would be. "Then they'd go into Congress with their agreement and the bill would pass late one night," said Dalton Yancey, the chief Washington lobbyist for Florida and Texas suga growers.

Legislative changes abolished the system in 1974. But the sugar growers' lobbying methods today run the gamut of techniques used by trade lawyers from many industries. They have hired a former senior Agriculture Department official specializing in trade issues to lobby for international agreements that will help the American industry.

They have enlisted the support of the corn sweetener industry, whose product is more expensive than imported sugar but less costly than domestically produced sugar. Six separate sugar-industry groups now lobby Congress, each promoting different regions and crops but all promoting protection from imports.

Japanese officials have repeatedly cited American protection of the sugar, peanut and dairy industries to justify their ban on rice imports and high tariffs on beef and orange imports.

American farmers have not been alone in obtaining protection. America's increasing dependence on high-technology imports has raised national security concerns and allowed other industries to seek trade barriers.

Last December, the Government renewed so-called voluntary restraints on imports of computer-controlled metal-cutting tools from Japan and Taiwan as a way to protect America's machine tool industry.

In a speech Jan. 24 to counter criticism of the move, Carla A. Hills, United States trade representative said: "The machine tool decision was not taken through the Trade Policy Review Group but rather through the national security review, which was chaired by the National Security Council, and defense policy considerations weighed in very heavily." The Pentagon's concern was that military contractors were losing the ability to set up factories for important weapons without relying on foreign equipment. But restricting equipment imports also forces up the costs of American factories, making other American products less competitive in world markets.

Economic Scene

Sylvia Nasar

Can Capitalism Save the Ozone?

CREATING free markets in Russia and other poor countries may do more to slow global warming than any measures that rich countries are likely to adopt in the 1990's, a World Bank study has found.

The study is helping to forge a consensus among economists in advance of a 100-nation conference on global warming, scheduled for Rio de Janeiro in June. Third-world economic reform, not foreign aid for pollution-abatement programs, should be the top priority, they say.

"To a large extent, environmental problems are the consequence of policies that are misguided on narrow economic grounds," said Lawrence H. Summers, chief economist of the World Bank. "In the next decade or so, third-world countries should do things that are in their economic interest anyway," said William Cline, an economist at the Institute for International Economics.

Energy subsidies, economists say, are a prime example of misguided policies with large environmental as well as economic costs.

For years, many poor countries have been practically giving away oil, coal and natural gas to domestic buyers in hopes of fostering industry and keeping living costs low for urban workers.

Eliminating energy subsidies would improve trade balances, shrink government budget deficits and reduce wasteful energy consumption. But it would also cut emissions of carbon, the substance whose buildup, scientists fear, could eventually destroy the ozone layer, resulting in higher average temperatures and harmful climate changes around the world.

For Russia and other states of the former Soviet



N. K. A.

Union — which accounted for two-thirds of the huge \$232 billion in total world subsidies — let fossil-fuel prices rise to the world market level, carbon emissions would decline roughly 6 percent globally, estimates Anwar Shah and Bjorn Larsen, both World Bank economists.

And if all developing nations, including China, which accounts for about 20 percent of worldwide carbon emissions from coal use, eliminated their energy subsidies, the authors say, global carbon emissions would fall by 10 percent.

To achieve that big a reduction in worldwide emissions, they say, the world's rich countries would have to adopt a \$40-a-ton carbon tax or its equivalent. That kind of Draconian action is extremely unlikely in the near future. "Trying to tax the coal industry out of business is just not in the cards," said Thomas Schelling, a University of Maryland economist and the departing president of the American Economics Association.

In any case, third-world countries are under extreme pressure to improve the performance of their economies.

Mexico and Venezuela recently tripled substi-

dized domestic gasoline prices, steps that are likely to reduce urban air pollution even as they ease a major burden on government budgets.

On Jan. 2, Russia quadrupled domestic fossil-fuel prices. "What they've already done will lead to a 10 percent decline in Soviet carbon emissions and a 2 percent reduction in global emissions," Mr. Shah said.

Some environmentalists play down the environmental significance of economic reforms. "Freeing energy prices doesn't promptly produce energy savings because the infrastructure and technology aren't there," said Amory Lovins, director of research at the Rocky Mountain Institute, an environmental research organization.

But others agree with the economists. "Removing energy subsidies in the ex-Soviet Union would be a major contribution to global efforts to reduce carbon emissions," said Lester Brown, director of the Worldwatch Institute, an environmental group.

As an indication of how powerful the effect of freeing prices might be, Mr. Brown points to the large impact of the lifting of fertilizer price controls in the Soviet Union in the mid-1980's. In three years, he said, Soviet fertilizer use plunged 28 percent and world use fell nearly 5 percent.

Ultimately, economists like Mr. Summers and Mr. Schelling think that economic development is, in itself, a powerful antidote to environmental degradation.

A recent study by two Princeton University economists, Alan B. Krueger and Gene M. Grossman, supports that view. Based on a sample of several dozen countries, the economists conclude that pollution rises with each dollar of per capita gross domestic product up to \$4,000. But as countries get richer, the study shows, per-capita pollution declines. The reasons: more efficient production methods, a shift toward cleaner industries and more effective government regulation.

Russia and Mexico, as it happens, which have per capita incomes of about \$4,000, may be among the countries right on that threshold.

Yeltsin, Annoyed at Delay, Urgently Asks for Aid

By ALAN RIDING
Special to The New York Times

PARIS, Feb. 6 — Apparently disappointed over the results of his visit to the United States last week, President Boris N. Yeltsin issued an urgent new appeal for Western aid today and warned that dictatorship could return to Russia if his economic program collapses.

"I have faith in these reforms; they are irreversible," he said during a three-day state visit to France. "But if they fail, I can already feel the breath of the red shirts and brown shirts on our necks."

Addressing a reception in the Paris City Hall, he further underlined his concern. "If Russia fails in its reforms, especially of the economy, a dictatorship will appear," he said. "That's why the international community must contribute to a solution. Its delay is becoming dangerous."

Mr. Yeltsin made no direct reference to his talks with President Bush on Saturday, but only hours after leaving Washington he complained at a news conference in Ottawa that American business leaders and "some governments" seemed to lack confidence in his programs.

'They Talk and Talk'

"Sometimes you are surprised by the response of certain countries," he said before returning to Moscow to prepare his visit to France. "They talk and talk. For the past five months, we have been asking for help, and it hasn't

Apparent disappointment with the U.S.

happened."

Today, chiding French businessmen for not investing in the Russian economy, Mr. Yeltsin said the next three months were crucial, and he warned that Western caution now could prove expensive later. "Perhaps you can save a franc today," he said, "but if there is a return to the cold war you will have to spend thousands of times more."

Although Mr. Yeltsin has in recent weeks been echoing the urgent appeals for aid made earlier by Mikhail S. Gorbachev when he was the Soviet President, only Germany among Western countries has so far become deeply involved in trying to rescue the economies of Russia and other former Soviet republics.

France today granted Russia a \$370 million credit to import grain from France and opened a new \$22 million line of credit for French technical assistance. France also confirmed that a \$405 million barter agreement that was signed with the Soviet Union last year will now apply to Russia.

Asked about Russia's request for multibillion-dollar Western support for a special fund to stabilize the ruble

with the aim of eventually making it fully convertible, France's Economy Minister, Pierre Bérégovoy, said this could be taken up after Russia joins the International Monetary Fund.

Emergency Aid Promised

At a lunch today, France's Prime Minister, Edith Cresson, assured Mr. Yeltsin that France would send emergency food supplies and medical assistance to soften "the social costs of the transition to the market economy for those who are most vulnerable — pensioners, children and the sick."

But she also stressed Russia's responsibility in establishing a stable economic climate. "State credits cannot substitute for direct investment by our firms," she said. "These will not be forthcoming in Russia unless a framework is established to protect their presence."

In their talks, Mr. Mitterrand and Mr. Yeltsin, who are to sign a broad friendship treaty here on Friday, have dwelt on questions of nuclear disarmament, both the need to limit existing arsenals and to insure adequate controls over nuclear weapons stationed in former Soviet republics.

At today's lunch, Mr. Yeltsin said Russia would reduce its nuclear weapons stock to "a minimum force sufficient to deter terrorists and irresponsible leaders." To France's relief, though, he has not pressed Mr. Mitterrand to dismantle this country's smaller nuclear arsenal.

On My Mind

A. M. ROSENTHAL

The California Story

LOS ANGELES

Somewhere in this state, somewhere between the Mexican and Canadian borders, there must be Californians so interested in how the New Hampshire primary will go that it will influence their own thinking or voting.

There must be the press, TV and politicians keep hammering it into our heads that New Hampshire voting is hugely important and will affect the nation, so pay paralyzed attention.

The only thing is, in a week of poking around I have not found a single Californian who is waiting for a cue from New Hampshire — or any body who knows such a person.

I found only people who feel that the voters of the most powerful state are fully qualified to choose among Democrats and between Democrat Whoever and President Bush without guidance from one of the smallest states.

Long-time, very long-time, Republicans told me that whatever happens in New Hampshire or any place else, election day will be tight for Mr. Bush in California. They know things are worse in California than in 1988, when he managed to win the state with a 3 percent majority. And they have a strong hunch that given the quizzical way the country looks at Mr. Bush right now, he could not win without

hustle to win in California — a hustle not just for the votes of that middle class everybody loves, but for the money, energy and shove of some of the upper class Californians who may not be as huggable politically anymore, but helped put the President where he is.

As for Democrats, including some leaning to Gov. Bill Clinton, they look at the list of candidates and can't quite believe that's all there is

and that is all there is going to be.

At every dinner, Democrats make lists of possible added starters. There are no new ones — just the familiar few Senators (Bentsen, Gore, Bradley) and the one Cuomo. Talk goes on through the evening — will one of them jump in and deliver the election victory Democrats can almost smell cooking in the oven but are not yet sure Governor Clinton can put on the plate.

Anyway, I am glad I am not a foreign correspondent in the U.S., say from Japan. Imagine trying to explain to readers in Hokkaido what New Hampshire is all about. For instance, why are 125,000 people, the number of Democrats who will vote in the primary and who would fit into Universal Studios tour buses on a good weekend, so important that they have to be interviewed by the press one by one?

How do you explain to Japanese why it should matter in the Napa Valley exactly how many votes are won in New Hampshire by a right-wing coalition with a thing against Zulus? Statistically it seems strange that anybody thinks that Californians, who after all are smart enough to live in California, would be stupid enough to accept this New Hampshire hype. In the arithmetic of politics, the opinions of California are more than 13 times as important as those of New Hampshire. California has 54 out of the country's 538 votes in the Electoral College compared to New Hampshire's 4. On election day that is the one, the only bottom line.

Talk about voting power as it ought to be counted, and California is 30 times as important. It has that many times the number of New Hampshire's million-odd.

If troubles are how attention should be judged, California has a variety of full as any state — unemployment, smog, water feuds, migrant labor, welfare, crime, drugs. And it has an American reality not to be found in 86-percent-white New Hampshire — burgeoning minorities demanding center stage.

And with all due homage to New Hampshire, California not only has more problems, it has a lot more artists, writers, scientists, engineers and other creators. If California does not move ahead, the chances are the rest of us, including New Hampshire, won't either.

So California is not waiting for New Hampshire to show the way, nor is any other state. That's the lead of the story, in Japanese or in English.

AFTER THE THAW 'Lead by Example'

The new world order in the next two years will feature two developments that are now being played out in Europe — increased national sentiment among countries in the East, and increased emphasis on political and economic integration among countries in the West.

"In the international arena, nationalism can prove to be destructive in the long run. Given that, the United States should work to curb the excesses of nationalism by promoting forms that buttress the mutual cooperation of nations: I think you can become a powerful giant if you lead by example. We're having severe problems with population growth in the world. The United States could step up and say: 'We recognize this. Here's what we should do.'"

whereby various countries would reach agreement on economic strategies that would maximize stability and growth in all nations. Our economies are so interdependent it's no longer possible for a modern nation to take steps to confront economic downturns without taking into account economic policies in other countries.

"There is also a need to reach agreement on international solutions to such issues as the massive and growing immigration of citizens from poor to rich nations, and the growing gap between rich and impoverished nations. The United States could in many ways try to strengthen the United Nations so it could adequately address these problems. It would be a serious mistake to return to isolationism cloaked in nationalist sentiment."

Interview by Felicity Barringer

C.I.A. Panel Rejects View That Reports Were Slanted

By ELAINE SCIOFINO
Special to The New York Times

WASHINGTON, Feb. 6 — A Central Intelligence Agency task force appointed in the aftermath of the grueling confirmation hearings of Robert M. Gates as the country's espionage chief rejects the assertion that the agency has systematically slanted intelligence over the years, C.I.A. officials today.

The findings, included in a classified report recently submitted to Mr. Gates for his approval, largely blame poor management and the inexperience of some analysts for allowing the perception of purposely slanted intelligence to flourish, a view articulated by Mr. Gates during his confirmation hearing last November.

"Distortion was not perceived as pervasive and had much to do with poor people-management skills and misperceptions arising from the review, coordination and editing of an analyst's work," said an agency official who paraphrased the panel's report. But the official, who spoke on the condition of anonymity, added that the report concluded that a few instances of "modest concern" warranted "remedial action."

As an in-house body, the panel was not expected to criticize the agency

A C.I.A. report lays blame for negative perceptions.

harshly or to make drastic recommendations. And the report, which was never intended to be made public, has already been criticized by some former and current intelligence officials for not going far enough.

The panel was established by Mr. Gates as one of a dozen study groups after he was confirmed as Director of Central Intelligence. It was headed by Edward W. Proctor, who was Deputy Director of Intelligence in the 1970's and who now works for the agency on a contract basis.

The panel defined the slanting of intelligence, or "politicization," narrowly, describing it as the alteration, delay or suppression of an assessment to avoid offending a policymaker. At the hearings, critics characterized the problem more broadly, to include the skewing of analysis to influence decision making or to promote the personal views of an analyst or manager. The critics said it even extended to the fostering of an intimidating atmosphere that led to self-censorship among analysts.

The report, which was based on interviews with more than 100 agency analysts and managers and written surveys submitted anonymously by 250 others, did not deny that analysts asserted that intelligence had been slanted. Indeed, the surveys were full of sharp complaints, particularly among less-experienced analysts, that managers had unfairly edited, delayed or rejected reports because they did not

conform to what the manager thought they should say.

Many in the agency also complained that their work was unnecessarily edited or changed in the review process in which several analysts examine the reports before they are approved.

More Training Suggested

Agency officials say that the surveys accurately reflect the views of the analytical side of the agency. More than 75 percent of those chosen at random to participate returned the surveys.

The report recommended on-the-job training for analysts and managers to better understand the importance of objective intelligence, a reduction in the layers of review, the inclusion of dissenting views in analytical papers, the encouragement of full debate of issues and the publication of internal procedures to deal with accusations of politicization.

The recommendations do not seem to go beyond those made by Mr. Gates at the hearings.

"If that's what the recommendations are, they all sound good, but they aren't as far-reaching as many observers, including myself, feel is necessary," said Harold P. Ford, a former senior analyst who testified against Mr. Gates at the hearings and who still works part-time for the agency as a consultant.

Mr. Ford said that the tailoring of intelligence was never "pervasive" in the agency. But he added, "Where it did exist it was more than just a matter of misperceptions and poor management skills." He continued, "It sounds as though they're treating the matter very gingerly."

Trying to Explain Tailoring

One official who praised the report said that many of the complaints came from younger, less-experienced analysts who might have tailored their papers to please their superiors. Another official noted that analysts at the agency always tended to believe that their work is edited or suppressed because it is politically incorrect, while managers would argue that it may not be good enough or does not reflect the institutional view of the agency.

But other current and former intelligence officials said that the report missed the point.

"To conclude that politicization is not widespread is irrelevant," said one intelligence official. "What's important is that it's happening at all, that people feel too intimidated to write what they believe or that their views get changed by senior managers who want to push the conclusions in one direction."

Another official who had seen the report simply called it "cautious."

Mr. Gates's confirmation as the nation's espionage chief was threatened by accusations by former C.I.A. officials, who said that Mr. Gates slanted intelligence during his years as a senior C.I.A. official in the 1980's, either to fit his pessimistic views of the Kremlin or to please his superiors.

Gates's Attempt to Heal

But Mr. Gates convinced the majority of the Senate Intelligence Committee that he was not guilty of tailoring intelligence and vowed to remove even the "perception" that intelligence could be slanted or politicized and to be more sensitive to agency employees.

In his closing statement, he admitted that it was "discouraging" to see that old problems about management's role in the analytic process and worries about the tailoring of intelligence "have not diminished in intensity even in the years since I left the agency."

Soon after he assumed the job as director, he moved to heal the wounds opened in the confirmation hearings. In his first message to senior managers, he assured them that he wanted to work with everyone in the agency and told them his door would be open to them. He also made phone calls to the analysts who still work for the agency and who had signed sworn affidavits critical of him, telling them that he would not punish them for their actions.

Another study group recommended the creation of an office to devise a plan for an electronic intelligence network that would transmit classified reports, maps, satellite photographs and graphic designs directly to the computer terminals of senior Administration officials. The agency has already completed a study estimating the cost of the network, which would send reports throughout the day six days a week.

The panel also said that issues like security control and the effect on personnel had to be examined before such a network could be created.

Democrats

Vietnam-Years Draft Status Becomes Issue for Clinton

By GWEN IFILL
Special to The New York Times

PORTSMOUTH, N.H., Feb. 6 — Governor Bill Clinton of Arkansas fended off questions today about his draft deferment during the Vietnam War, denying that he deliberately sidestepped military service by misleading his local draft board.

Mr. Clinton, who did not join the military and has said he opposed the war, said he gave up his student deferment status in the fall of 1969 to make himself available for military service rather than to avoid it.

The Governor, a candidate for the Democratic presidential nomination, was responding to an article today in The Wall Street Journal quoting a former draft board official from Hot Springs, Ark., and an Army R.O.T.C. recruiter as saying that Mr. Clinton manipulated the draft process. The article said Mr. Clinton avoided the draft by telling officials he would join the Reserve Officer Training Corps after graduate school, but that he never joined.

Mr. Clinton said that if he ever received special treatment from his draft board, he never asked for it or knew about it. "I certainly had no leverage to get it," he said.

A Time of Accusations

Reporters repeatedly asked Mr. Clinton about the assertions as he campaigned in New Hampshire today. The questions came as his campaign has struggled with two weeks of news reports about an Arkansas woman's accusations that she had had an extramarital affair with him. Similar accusations of draft evasion dogged Vice President Dan Quayle in 1988, when he was accused of using the influence of his Indiana family to stay out of combat.

Several of Mr. Clinton's Democratic opponents reacted quickly to the account in The Journal, suggesting it might cause some problems with voters. Senator Bob Kerrey of Nebraska, who received the Medal of Honor for his heroism in the Vietnam War, seemed to believe that the contrast between his military record and Governor Clinton's was "striking enough that he did not need to raise his voice in criticism of the Governor."

"I'm sympathetic to anyone who said I'm concerned about getting drafted," he told reporters today in Nashua. "I was as well." But the Senator, who has been trailing in the polls, did suggest that Mr. Clinton's explanation of his draft status was less than credible. He said he found it hard to believe Mr. Clinton's explanation that he could not get into Air Force or Navy R.O.T.C. because of hearing and vision problems. "Maybe it was different in 1969, but in 1966 they were practically taking any warm body that could walk upright and eat with a knife and fork," he said.

Senator Tom Harkin of Iowa was asked about the article while speaking in Bedford to the Air Line Pilots Association. Mr. Harkin, a former Navy pilot, mentioned his experience growing up in a small town where anyone who shirked military service would have been "run out of town."

Later, in a television interview, Mr. Harkin added, "I think this will hurt badly."

At a news conference today, Mr.

Clinton said, "You've got to understand that if you look at the facts as they then existed, instead of some 23-year-later rewrite, the facts are, I put myself into the draft, I didn't take it out."

In an interview in December, Mr. Clinton said he decided in the fall of 1969, while he was in Arkansas after a year studying at Oxford University as a Rhodes Scholar, that joining the R.O.T.C. "was sort of an illicit thing to do" because he would have been protected from the draft during his second year at Oxford and for three more years while he was in law school.

By then, he said, "I had four of my high school classmates killed in Vietnam, and I just didn't feel right about it."

Even though President Richard M. Nixon asked Congress to institute a lottery in May, Mr. Clinton said, it had not occurred to him that a lottery system might improve his chances for staying out of the war. He said he had rejoined the draft pool "under circumstances that any reasonable person would have thought made it virtually 100 percent lock down certain that I would be drafted."

Congress approved the lottery on Nov. 26, 1969, and the lottery numbers, tied to birthdates, were picked on Dec. 1. Mr. Clinton's number — 311 — was high enough that he was never called.

No R.O.T.C. After All

Mr. Clinton, a 1968 graduate of Georgetown University, had his draft status reclassified from 1-A to 1-D — or deferred — in August 1969 after he agreed to join the R.O.T.C. program at the University of Arkansas Law School when he returned from Oxford. But after a second year at Oxford, he enrolled at Yale Law School instead.

"You guys are reading this very differently from what I did at the time," Mr. Clinton said today. "I had no way of knowing what my lottery number would be."

Opal Ellis, the executive secretary of the Hot Springs draft board, is quoted in The Journal as saying that Mr. Clinton told her when he returned after his first year at Oxford that "he was too well educated to go" to Vietnam and that he was going to "pull every string he could think of" to avoid service.

Mr. Clinton said he never had such a conversation with Mrs. Ellis. "It certainly wouldn't be something that a 22-year-old boy would have said to a draft board secretary who was in no position to do anything about it anyway." Attempts to reach Mrs. Ellis today were unsuccessful.

He also denied assertions by Col. Eugene Holmes, the Army R.O.T.C. recruiter, who told The Journal that "Bill Clinton was able to manipulate things so that he didn't have to go in."

Clinton campaign aides today circulated copies of an article from The Arkansas Democrat-Gazette last October in which Mr. Holmes was quoted as saying that Mr. Clinton received no special treatment. "He was treated just like I would have treated any other kid," the newspaper quoted Mr. Holmes as saying. "I was giving a lot of kids exceptions."

Colonel Holmes did not respond to messages left on his answering machine today.

Foreign Affairs
LESLIE H. GELB

1932 and 1992

Nineteen ninety-two could be as seminal a political year as 1932. Perhaps more than the Presidential hopefuls realize, Americans fear the future and are open to profound change — far more than in pivotal election years like 1960 and 1980. The candidate who catches and defines today's shapeless and plastic anxieties could harness a force as strong as the one that carried Franklin Roosevelt to the White House 60 years ago.

"Something weird is going on out there — fear, anger, ugliness," said Roger Ailes, a Republican strategist. "It's an explosive year," warned Peter Hart, a Democratic consultant. "This election is about defining the future of America," reflected Douglas Bailey, publisher of *Hotline*, a daily political report.

The mood runs against the essentially status quo policies of President Bush — even if the recession ends statistically by the summer. Republican leaders privately admit as much and worry that the President is grossly out of touch.

The mood favors Democrats who show they understand the fears and exude confidence about curing them. Democratic gurus fret about their candidates, but sense the kill and the

Shapeless,
plastic, fearful
moments.

enormous plasticity of the moment.

Yes, 1992 is not 1932. Recession is not depression. But expectations were low 60 years ago; and they have been sky-high since 1945. It does not take nearly as much today to depress a middle class long pampered by success. And 1992 is not 1960 or 1980 when voters were merely interested in "change" or "new leadership."

The historian Arnold Toynbee wrote of the early 1930's that "Men and women all over the world were seriously contemplating and frankly discussing the possibility that the Western system of Society might break down and cease to work." Similar rumblings can be detected now.

As with 1932, 1992 marks the end of an era. The cold war, the central organizing principle of American politics, disappeared. Nothing can fill that

void. Gone also is the central article of post-war faith that children would surpass their parents. Key industries and jobs that powered growth have disappeared under the waves, forever. Germany and Japan rise again, posing complicated threats.

Now as 60 years ago, intellectual and political categories have broken down. It is hard to locate right and left on the spectrum. Hawks and doves are merely birds once again. Voters cannot get their bearings.

Today as then, there is a loss of political inhibition, a willingness to think the unthinkable, as Leon Wieseltier of *The New Republic* suggested to me. David Duke can become a serious candidate for Governor of Louisiana. Shades of Huey Long. In frustration over lawmakers, momentum gathers to set term limits for elected officials and legislative policy by referendums. Senator Pat Moynihan laments "the savage prospect" of states legislating no help for new children born to mothers on welfare. "Can you imagine that?" he asks. The previously unimaginable now can become law, for good and ill.

Public opinion soundings begin to echo that volatility. A CNN/USA Today survey in January showed an astonishing 55 percent of Americans saying that the economy needs a "complete overhaul." In a Times/CBS News poll from last August on health care, 50 percent said the system required "fundamental changes," and 40 percent said it had to be "completely rebuilt."

The Democratic challengers have not tapped deeply enough into these rumblings. They all call for "fundamental change" or "reinventing government" or some such, and even offer far-reaching specific proposals. But they have not quite found the right words and seem to shy away from galloping with the full logic of their own proposals for change.

Franklin Roosevelt, too, exercised caution throughout the 1932 campaign. But he left no doubt that he understood the horror of the Depression, no doubt about his revolutionary plans to inject the Federal Government into economic planning, no doubt of his commitment to bold and humane experimentation.

Now as then, Americans do not expect their Presidents to have all the answers. But Americans want to be sure their next President is talking about the right problems, appreciates their despair and is committed to doing something, everything, to make their lives better. □

The Wrong Way to Health Care

By David A. Ridenour

WASHINGTON With the plan for health care he unveiled yesterday, President

Bush rejected the suggestion by many Congressional Democrats that the U.S. adopt a Canadian-style nationalized health care system. Whatever weaknesses his plan may have, he is right: a Canadian system would impose a more expensive, less effective program on the U.S.

The Canadian Government, at both the federal and provincial levels, spent \$40 billion in 1990 or \$1,481 for every citizen. The U.S. spent \$666.2 billion on health care for the same period, or \$2,659 per capita. Congressional advocates of Canadian-style national health insurance are quick to conclude that Canada's health costs are substantially lower. They are wrong.

While the U.S. figure includes all spending on health care, public and private, the Canadian figure includes only the amount the Government will pay.

Expenses for dental care, prescriptions, ambulance service, private hospital rooms and glasses are not covered by the Canadian Government. They are included in the U.S. figure. To provide such services while preserving Canada's "universal" program would cost Canadians an additional \$420 per year. In 1990, Americans spent \$452 per capita on these items and services.

Eleven percent of the Canadian population is over 65 years of age as against 12.2 percent in the U.S. In addition,

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Canada's costly plan offers less.

tion, the large U.S. inner-city population accounts for a higher national incidence of drug abuse and teen-age pregnancy. Both factors add to the U.S. health care bill. According to a 1990 study, the elderly account for up to one-fifth of the difference in health spending between the U.S. and Canada.

Moreover, Canada's 79,315 annual abortions are not fully covered under the health program. Government policy varies widely: some provincial governments pay for abortions, other don't. In the U.S., 1.6 million abortions are performed each year. Though abortions in the U.S. are "elective," they add at least \$1 billion annually to the U.S. health-care bill.

The Canadian system pays only part of the bill for those who seek treatment in the U.S. or in private Canadian clinics. For instance, U.S. facilities for the treatment of substance abuse treat a large number of Canadians. At Buffalo, New York's Brylin Hospital, for example, Canadian patients have occupied up to 30 percent of the beds in the chemical dependency wing. The treatment these patients receive is only partly covered by their government.

Similarly, Canada only pays up to 75 percent of the bill for patients seeking cardiac surgery in the U.S. Because bypasses can cost \$35,000 to \$75,000, patients end up paying tens of thousands of dollars out of pocket, none of which is included in Canada's health care cost statistics.

The Canadian system also does not cover many cosmetic procedures. The U.S. includes these expenses in its overall figure. In 1990,

Americans had portions of their bodies lifted, tucked, suctioned, sanded, cut or otherwise altered to improve their appearance.

No wonder health care seems less expensive in Canada — services that cost Americans hundreds of billions of dollars each year are simply not counted under the Canadian system.

Americans actually get more for their health care dollars than Canadians. Even though per capita health spending in America and Canada is roughly the same, Americans have 40 percent more surgical procedures than Canadians. Though too much surgery is conducted in the U.S., Canadians do not have enough surgery — at least not enough of the surgery they need the most.

In British Columbia, a waiting list of 700 to 800 people for heart surgery is not uncommon. In 1990, 15 people on such a list in British Columbia died before they could get their operations. For elective procedures, like a hip replacement, the waiting list can be even longer. According to a study by the National Center for Policy Analysis in December, there are a quarter-million Canadians waiting for surgery.

American doctors, on average, have more training than Canadian doctors. In Canada, 50 percent of all physicians are general practitioners compared to only 10 percent in the U.S. This means that 90 percent of the doctors in the U.S. have pursued specialties, requiring a minimum of two years' additional medical training, as against only 50 percent in Canada.

Americans are receiving better care than Canadians for about the same price. Although health care costs in the U.S. continue to rise, it's clear that the Canadian system offers no solution. Until health care providers devise an effective means to discourage frivolous claims by those they insure, the cost of health services will continue to skyrocket. □

President Leaves Many Areas Gray

By ROBERT PEAR
Special to The New York Times

WASHINGTON, Feb. 6 — The same political concerns that compelled President Bush to announce a "comprehensive health reform program" today also obliged him to be vague about many details.

But the details may be less important than the fact that Mr. Bush has finally joined the national debate on overhauling the health-care system, a debate from which he had been conspicuously absent.

Merely by advancing a proposal of his own, Mr. Bush adds momentum to the drive to control health costs and making health care more readily available. His entry into the debate increases the chances that comprehensive health legislation will be enacted before long because "an aura of inevitability is upon us," as the Journal of the American Medical Association said in an editorial eight months ago.

Vague on Cost Control
Mr. Bush's plan includes specific proposals aimed at one side of the health care debate: ways to improve access to care for some low-income people who are not already covered by Medicaid. By contrast, his cost-control strategy is utterly amorphous, underscoring the sensitivity of that question for politicians.

While it has become politically necessary for candidates to address health care in general, it is virtually impossible for them to make specific proposals without offending somebody. Thus Dr. Louis W. Sullivan, the Secretary of Health and Human Services, and White House officials were unable to answer important questions today about how the President's plan would work in practice.

Most experts agree the United States is spending enough on health care, more than \$2 billion a day, but they say the money needs to be redistributed. The winners under Mr. Bush's plan would be the poor people who have no health insurance, along with self-employed people and those who work for businesses that do not provide health insurance coverage. Of the nation's 33.6 million poor people, only 45 percent are covered by Medicaid, 26 percent by some other coverage and 29 percent have no health insurance.

Insurance companies would also win because they would have millions of new customers under Mr. Bush's plan. Poor people would get tax credits of up to \$3,750 a year to buy such insurance. And many middle-income people could take tax deductions for the cost of insurance.

Plan's Potential Losers
Potential losers under Mr. Bush's plan include Medicaid and Medicare beneficiaries, nearly one-fourth of the nation's population. Mr. Bush insists that their benefits would not be cut. But they might have less access to medical care if the Government reduces payments to doctors and hospitals to finance the tax credits and deductions.

Health-policy experts point to contradictions and gaps.

Mr. Bush proposed, for example, to cut special allowances now paid to teaching hospitals and to hospitals that serve large numbers of low-income patients.

Speaking for many physicians, Dr. Daniel Shea, president of the American Academy of Pediatrics, said he was "pleased that the President has joined the health-care reform debate." But he lamented Mr. Bush's "patchwork approach," saying "it will do little to insure that children get the health care they need." Twelve million of the 35 million people with no health insurance are children.

Republicans cheered Mr. Bush's decision to encourage competition in the health insurance industry without establishing an expensive new Government program. But even some Republicans were expressing qualms about Mr. Bush's proposals.

One of them, Representative Porter J. Goss of Florida, said he was glad to see Mr. Bush come forward with a proposal, but nervous about the possibility of an increase in premiums or a reduction in services for Medicare beneficiaries, who account for one-fourth

of the 800,000 people residing in his district.

Analyzing Mr. Bush's proposal tonight, health-policy experts identified several apparent contradictions, problems and gaps.

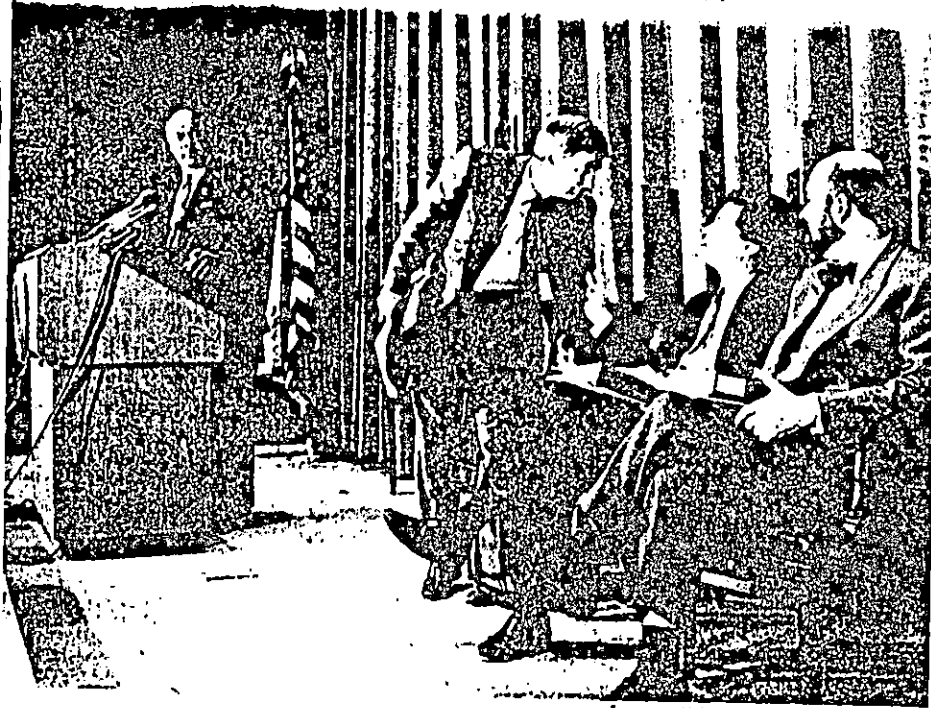
Mr. Bush says a major goal of his proposal is to increase the range of choices available to consumers when they select doctors, hospitals and health insurance. But at the same time, Mr. Bush would force Medicaid recipients into health maintenance organizations and other forms of "managed care," which often limit the patients' choice of doctors and hospitals.

The value of the tax credits and tax deductions proposed by Mr. Bush would be "increased to account for inflation." But medical prices and commercial health insurance premiums have been rising at least twice as fast as the Consumer Price Index, so the value of the tax credits and deductions would be gradually eroded. Moreover, the amount of the credit and deduction would be the same in all states, despite wide variations in the cost of care.

Mr. Bush's "comprehensive health reform program" says nothing about how to pay for nursing homes and other types of long-term care. Paul R. Willig, executive vice president of the American Health Care Association, a trade group for 11,000 nursing homes, and John C. Rother, legislative director for the American Association of Retired Persons, said this was a significant omission. Millions of older Americans and their families are at risk of being impoverished by the cost of nursing homes, which now averages \$30,000 a year, Mr. Rother said.

Under Mr. Bush's plan, insurers would have to offer coverage to all applicants, regardless of their medical history or health problems. This virtually guarantees an increase in insurance premiums for healthy people, but the Bush proposal says nothing about that. Under Mr. Bush's plan, insurers would eventually charge "uniform premiums for the sick and the healthy." How to accomplish such a radical change, he does not say.

Mr. Bush says his proposal would slash administrative costs and eliminate a "paperwork blizzard" of health insurance claim forms. But some doctors, hospital executives and state wel-



Dr. Louis W. Sullivan, left, the Secretary of Health and Human Services, left, and White House officials were unable to answer important questions about how the President's health insurance plan

would work. With Mr. Sullivan, from left, were, Kevin Moley, Assistant Health Secretary, Thomas Scully, associate budget director, and Michael Graetz, Assistant Treasury Secretary.

fare officials say the result could be an administrative nightmare, because they would have to ascertain whether people are eligible for tax credits and then help them buy insurance.

Concerns by Insurance Industry

Insurance executives rejoiced at the prospect of millions of new customers, whose premiums would be subsidized by the Government under Mr. Bush's proposal. But they also expressed alarm at the idea that the Federal Government might regulate their rates and require them to write insurance for people known to have serious medi-

cal problems.

"The President's proposals are headed in the right direction," said Carl J. Schramm, president of the Health Insurance Association of America, which represents more than 300 insurers. "But we have concerns about the technical aspects of his proposed insurance reforms. Some of the proposals have no prototype in practice. How will they work? It's not clear."

Representative Barbara B. Kennelly, Democrat of Connecticut, the home of more than two dozen insurance companies, said: "Insurance companies don't take risks any more. They really

are going to have to change their ways and make major reforms if they want to keep a private health insurance system in this country."

The implications of Mrs. Kennelly's comment have dawned slowly on many Republicans, including Mr. Bush. The problems in the nation's health-care system have become so severe that if change is deferred for several years, Congress may ultimately approve a more radical solution, in which the Federal Government encroaches even more upon the private practice of medicine and the role of private health insurance.

Personal Finances

Harkin and His Family Are Climbing the Economic Ladder

By MARY B. W. TABOR
Special to The New York Times

CUMMING, Iowa, Jan. 29 — If Senator Tom Harkin's populist oratory has been driven by the hardships he knew growing up here as a coal miner's son, so has his push for his own piece of the American pie.

Neighbors in this tiny town southwest of Des Moines tell of a boy who worked long hours bailing hay to help his family make ends meet. Now, by his own account, the Senator has earned a slice of the pie, and he seems determined to enjoy it.

On that note, some critics complain that Mr. Harkin's speeches occasionally ring hollow — that even as he criticizes the ways of the wealthy, he accepts donations from the likes of A.T. & T., invests in the stocks of major corporations and enjoys a comfortable financial cushion of his own.

Indeed, far from the days when he shared a tiny two-bedroom house with his parents and five siblings here, Senator Harkin and his wife, Ruth, now claim a significant income, and his assets may total as much as about \$800,000, including a vacation home in the Bahamas.

A Thunderbird, a Corvette

Tax returns released during his 1990 Senate campaign list the Harkins' 1989 gross income at \$247,100. Mrs. Harkin, who has earned a corporate lawyer's salary since 1983, drives a 1990 Thunderbird. The Senator, whose Senate pay is \$125,100 this year, drives a 1977 Corvette.

Still, in contrast to his brash, liberal politics, Mr. Harkin's personal financial profile is conservative, according to his financial disclosure reports, other public records and interviews.

"Many times, Tom has said in his speeches that he is the product of the American dream," says Mrs. Harkin, a lawyer with Akin, Gump, Hauer & Feld in Washington and former deputy general counsel in the Department of Agriculture.

"If you look at our financial picture, you see that he has moved up the economic ladder in a steady but fairly conservative way," she said. "Our chief investments go toward the education of our children."

To that end, the Harkins, who 10 years ago had no investments aside from real estate, now have money in 19 separate accounts. These investments, mostly in United States Government bonds, municipal bonds and mutual funds, are valued between \$1,001 and \$100,000 on Federal Election Commission reports, which do not show exact

Harkin's Financial Picture

ASSETS	
Real Estate	
House and property in Alexandria, Va.	\$278,270
House and property in the Bahamas	\$180,000
House and property, Indianola, Iowa	\$78,906
1989 Household Income	\$247,100
Stocks and Bonds	\$46,000-\$351,000
(between \$10,010 and \$150,000 in children's names)	
Bank Deposits	\$54,000 to \$85,000
LIABILITIES	
Bank loans for mortgages	\$156,000 to \$206,000
TOTAL NET WORTH	\$441,200 to \$807,200

Sources: Federal and state financial disclosure reports, Iowa and Virginia assessors, stock reports.

Fourth of five articles that will appear occasionally about the personal finances of the Democratic Presidential candidates.

amounts but require only that assets and liabilities be listed in ranges. Between 20 percent and 40 percent of the couple's holdings are investments of less than \$15,000 listed in the names of their two daughters, Amy, 15 years old, and Jenny, 10.

The Harkins' common stock holdings are in Johnson & Johnson and the IVAX Corporation of Miami. Both companies are involved in pharmaceuticals that are regulated by the Food and Drug Administration, an agency overseen by three of the committees on which Mr. Harkin serves: Agriculture, Appropriations, and Labor and Human Resources.

There is no indication that the Senator took any official action that affected the companies or their stocks.

According to public records and 1990 tax returns, the Harkins' greatest assets are in real estate, including a home in Alexandria, Va., valued at \$278,270; a vacation house and adjacent property in Abaco, Bahamas, worth \$180,000, and an apartment du-

plex in Indianola, Iowa, a small town southeast of Des Moines, that they rent out. It is assessed at \$78,906.

The Harkins' only debts are two mortgages, one on the Alexandria home and one on the Indianola duplex.

Friends and family members alternately describe the Senator with words like "thrifty" and "cheap." They also say he is given to asking whether staff workers are being paid too much, taking subways instead of taxis and buying in bulk. That is in part because of how he grew up, friends say.

Senator Harkin's mother died of cancer when he was 10, and his father died later of black lung disease.

An R.O.T.C. Scholarship

Though the Senator declined to be interviewed, friends and neighbors here say they remember young Tom Harkin as an incessant quest for work so that he could pay for college.

He attended Iowa State University on a Navy R.O.T.C. scholarship and lived with his older brother, John, to save money.

In 1972, Mr. Harkin pulled together \$22,000 in donations and made his first, and ultimately unsuccessful, run for Congress. In 1974, he ran again and won, this time with a fund of \$120,000.

By 1990, the scope of Senator Harkin's campaigns had grown: He spent about \$6 million in a re-election effort that has been called the most expensive Senate race ever in Iowa.

In reports filed last week, Mr. Harkin reported that \$2.2 million had been raised for his Presidential campaign. Most of that money has come in small, individual donations, though the Senator does accept contributions from political action committees, a stance for which he has been criticized.

But the financial issue that has raised the most questions about Mr. Harkin lately has been his dealings with his wife's law firm, Akin, Gump, which is deeply embedded in the Washington political establishment.

In May of 1990, Mr. Harkin set up a trust fund under Congressional rules to pay expenses in a libel suit against him and two aides. The suit was ultimately dismissed. But in the months that followed, Mr. Harkin failed to report that Akin, Gump had provided more than \$300,000 worth of free legal services for the two aides.

He finally did file the report, but it was at least 18 months late, prompting questions about whether Mr. Harkin was accepting favors. Kay Cassidys, a campaign spokesman, said the reporting delay was an oversight.

Mr. Harkin's own legal bill from that suit came to \$162,646, which came due last Dec. 31. By calling his most loyal and generous contributors starting last fall, he was able to collect the money and pay the bill on time, and in doing so, he provided a picture of where he turns for backing.

Donations toward the legal bill had already come from labor and corporate sources, like the Machinists Non-Partisan Political League and the American Telephone and Telegraph Company. So Mr. Harkin looked to the likes of Sydney Pollack, the movie producer; Smith Bagley, the Reynolds tobacco heir, and Mary Woodward Lasker, the New York philanthropist. Among those who gave the \$10,000 maximum allowed under Senate ethics rules, were William W. Harris, a Massachusetts investor, and Dwayne Andreas, the chairman of the Archer Daniels Midland Company.

Both A.T. & T. and Archer Daniels Midland, a multibillion-dollar commodities company, are represented in Congressional lobbying by Akin, Gump.

Though Mrs. Harkin has lobbied for agricultural interests as an Akin, Gump lawyer, she says she has never lobbied her husband on their behalf. Her firm, she added, "has no professional relationship" with Mr. Harkin.



The New York Times

Senate Backs Faster Protection Of Ozone Layer as Bush Relents

Energy-Bill Amendment Sails Through by 96-0

By PHILIP J. HILTS
Special to The New York Times

WASHINGTON, Feb. 6 — The Bush Administration, in a surprise reversal of its public position, today supported a Senate action to greatly speed up the planned phase-out of chemicals that damage the protective ozone layer high in the atmosphere.

A proposal to cease production of the chemicals as fast as possible passed the Senate today by 96-0, a vote that would have been unthinkable without the change of attitude at the White House. Only three months ago the measure was prevented from even coming to a floor vote by Republican senators acting on behalf of the White House.

The White House's change in position has come about through efforts by the Environmental Protection Agency. With John H. Sununu, the former White House chief of staff, no longer in a

position to oppose its initiatives, the agency took advantage of new data released earlier this week that portray a threat much more dire than expected.

Bush's Concern Expressed

William K. Reilly, the E.P.A. Administrator, said today, "President Bush is very concerned about ozone depletion and takes seriously the recent scientific discovery that it is worse than we thought. I expect that the Administration, which is currently reviewing the information, will support moving up the phase-out schedule for various ozone-depleting chemicals by three, four or in some cases five years."

The threatening chemicals, a family of substances known as chlorofluorocarbons, or CFC's, are widespread. They are used as industrial solvents and as the coolant in refrigerators and air-conditioners, among other things. An international agreement, the Montreal Protocol, signed in 1987, calls for production of CFC's to cease by the year 2000.

Eileen Claussen, director of the E.P.A.'s Office of Atmospheric and Indoor Air Programs, said today: "It is obvious we have to move up the dates. The Senate resolution says to move them up as fast as we can. To the extent there is debate, and there isn't much, the debate is over just how early we can fix these dates."

The proposal passed by the Senate today, an amendment to the energy bill, declares that the ozone depletion is occurring at twice the rate previously believed, is occurring both in the Southern and Northern hemispheres and is occurring over both the poles and populated areas. The Senate's work on the energy bill is expected to be finished within a week, and the House's work by the end of March. Support for the bill is also known to be strong in the House.

Some scientists have projected that it could take decades to reverse damage to the ozone layer caused by the chemicals.

Senator Al Gore, Democrat of Tennessee, who was the author of the amendment passed today and who has

Continued From Page A1

long urged that CFC production be halted as quickly as possible, told the Senate today: "The President has abdicated his responsibility. This amendment is a wake-up call."

"It is easy enough, after the ozone hole is pointed to and predicated above Kennebunkport, to say, 'O.K., we will now think seriously about doing something,'" Mr. Gore continued. "Where was the President when the warnings came through so loudly and clearly for the last several years?"

But White House officials countered that Administration staff members, if not all the leadership, has aggressively pursued the issue, and that Mr. Reilly has been working out a proposal to hasten the end of production.

One consequence of an accelerated phase-out of CFC's is that industries with existing refrigeration equipment are likely to intensify efforts to conserve the refrigerants already in use.

Instead of simply venting CFC refrigerants into the atmosphere, as was often done in the past, companies are now collecting the materials and sending them to chemical companies, like du Pont, for processing and re-use.

All the various substitutes that have been developed for CFC's will require modifications in the refrigerators, air-conditioners and industrial chillers designed for their use. New appliances will contain the needed changes, but industrial equipment which has a 30-year life span can operate on recycled CFC's until the modifications can be made.

Banking on Substitutes

The quicker phase-out had been strongly advocated by environmental groups and some European nations. Chemical companies, including du Pont, Allied-Signal and the British company ICI, have been building

plants to produce the substitutes, which are hydrochlorofluorocarbons, known as HCFC's, and hydrofluorocarbons, known as HFC's.

HCFC's are believed to attack the ozone layer as well, but with only a small fraction of the power of CFC's. One of the issues still to be resolved is how long production of HCFC's will be permitted, until completely benign substitutes can be developed.

Some industries have been moving in advance of international agreements to eliminate use of CFC's. The Society of Plastics Industry has said its members will cease using the chemicals in foam packaging by 1993 and in insulation by 1995.

Scientists of the National Aeronautics and Space Administration reported earlier this week that a satellite had detected exceptionally high levels of an ozone-killing chemical derived from CFC's over a wide area of the Northern Hemisphere, including large populated areas of Europe and Canada.

Hole Over the Antarctic

The chemical, known as chlorine monoxide, was detected in concentrations of one part per billion, a matter of serious concern since it is comparable to the levels observed within the Antarctic ozone hole.

The Antarctic hole, which has been observed for the last several years, is depleted of about half its ozone. The effect of chlorine monoxide in Northern latitudes cannot be predicted with certainty. Researchers will not know until summer to what extent winds, temperatures and sunlight permit the chlorine molecules to open up a "hole" over the North.

In addition to the Antarctic ozone hole, scientists had already noted that the ozone over such temperate latitudes as North America has also been depleted, although by smaller amounts — by about 3 percent in summer and 5 to 8 percent in winter, compared with a

decade ago.

Activity to reduce CFC production was already under way before today's vote. The Clean Air Act requires United States policy to be reviewed if any new threat to the ozone shield is perceived. Under that procedure, an environmental group, the Natural Resources Defense Council, submitted in December a proposal to accelerate the phase-out.

The chief group representing industry, the Alliance for Responsible CFC Policy, also has developed a quicker phase-out policy, which it is ready to submit to the E.P.A. The group did not endorse or oppose Senator Gore's amendment. But the alliance's executive director, Kevin Fay, said today: "Although the amendment contains no dates, in many respects it is consistent with actions we have been recommending. We believe the schedule can be accelerated."

The difference between the industry and environmental group proposals are slight: the N.R.D.C. proposal suggests phasing out CFC production by 1995, while industry suggests 1996.

On a more short-lived member of the same chemical family, hydro-CFC's, the N.R.D.C. has proposed phase-out in 2005, while one industry proposal puts that date at 2010.

Similar differences of date exist for the numerous other chemicals of the same family, which E.P.A. officials say should not be difficult to resolve. It is possible that the Administration could develop a new proposal for deadlines by the April meeting in Nairobi at which nations will revise the Montreal Protocol.

Mr. Fay said that industry has already identified a number of chemical substitutes for the CFC's, which may do the same work in refrigeration, air-conditioning and other uses, but without triggering the same atmospheric reaction.

White House Reverses Stand on Ozone Protection

Continued on Page A17, Column 1

Political Memo

Slogans, Stories and Strategy: The Campaign on Television

By ROBIN TONER

Special to The New York Times

MANCHESTER, N.H., Feb. 6 — For Bob Kerrey, politics is "a cause, not a career." (Subtext: He is not another blue suit from inside the Capital Beltway, even if he did take the Senate raise.)

Tom Harkin believes that "If you try to be all things to all people, you're nothing to anybody." (Subtext: He might sound awfully liberal, but he will never be accused of waffling — like, oh, say, Bill Clinton.)

The "real story" of Bill Clinton is about a young man from a small town called Hope, "the son of a widow who taught him that anything was possible with hard work, faith and determination." (Subtext: Pay no attention to the tabloid Star.)

This is how most New Hampshire voters are meeting the five major candidates for the Democratic Presidential nomination: in the often heroic, sometimes poignant, occasionally cryptic images of their television advertising. The commercials on the air in recent days are a snapshot of strategy, message and positioning as the campaign enters the final stretch toward the first primary election.

Bob Kerrey

It is a mystery to many political professionals why the Nebraska Senator's campaign has failed to catch fire when his life story intrigued so

The issues are boiled down for commercials.

many of them for so long.

The biographical commercial on the air in recent days tries, once again, to tell this story: the man who "never ran from a fight," won the Medal of Honor in Vietnam, rehabilitated himself from the loss of a leg to the point where he ran a marathon.

It also casts him as an outsider who walked away from politics once, when he declined to run for re-election as Governor of Nebraska despite his popularity in the polls.

In another ad, Mr. Kerry reasserts his commitment to "forcing open Japanese markets" to put America back to work.

Tom Harkin

The senator from Iowa is working with Ken Swope, a Boston media consultant who managed to find some passion in Michael S. Dukakis in the 1988 primary campaign. Mr. Harkin, the hottest speech-maker in the Democratic field, did not need a passion transplant.

Instead, in a series of commercials produced in an old textile mill, Mr. Swope found the visuals to match the

emotional Harkin message: "You can look down this hallway and hear the echoes of the people who once worked here," Mr. Harkin says, as the camera wanders through empty shop floors, a ghostly scene broken only by a huge American flag. "And what they're saying to us is, 'Don't forget, don't give up, build it again.'"

In another ad made in the same mill, Mr. Harkin talks of his ability to beat Republicans and tries to address the electability question: Can this unrepentant voice of old-time Democratic religion beat George Bush? He also raises some doubts about his rivals who seek a more centrist cast. "I'm not trying to be all things to all people," Mr. Harkin says, although he mentions no names.

Bill Clinton

In news reports, Mr. Clinton has been forced to battle charges that he had a 12-year extramarital affair, and just today, new questions about his draft status. In his advertising, he has surrounded himself with symbols of American virtue: flag, family and a bootstrap rise from humble roots.

In one of the Clinton biographical ads being broadcast in recent days, it is hard to find a scene without Old Glory in it.

The two Clinton commercials now on the air counter attacks on Mr. Clinton in two areas: his record as Governor of Arkansas and his character. The ads tout him as a Horatio

Alger figure and promote his record as the Governor of Arkansas — but only so much, at a time when many still remember the exaggerated claims Mr. Dukakis made for his "Massachusetts miracle." "It isn't a miracle," Mr. Clinton's announcer says. "It's just progress and a bit of hope."

Paul E. Tsongas

The former senator from Massachusetts began a new commercial Wednesday night that returns to his core message: Here is an economic Daddy for the Democrats, a sober, grown-up candidate who offers "straight answers" instead of "gimmicks" like a middle-class tax cut. Coins are thrown on a table while the announcer declares, "Some candidates want to give you a tax cut of 97 cents a day. But will that create jobs?"

The commercial adds, "One candidate knows it's gimmicks and bigger deficits that got us into this mess."

Edmund G. Brown Jr.

The Brown campaign has broadcast a 30-minute paid program on local television stations called "Take Back America." Featuring excerpts from speeches and interviews with citizens, it drives home Mr. Brown's theme that politics has become corrupted by the influence of special interest money and can only be redeemed by a grassroots movement.

On How to Make Political Ends Meet

By ADAM CLYMER

Special to The New York Times



WASHINGTON, Feb. 6 — The House Ways and Means Committee's hearings on tax and growth legislation may not have any effect on what kind of bill Congress may pass this spring. Can any closed-door politics, not earnest open arguments, will control that process.

But the hearings offer instructive examples of the cynicism and special pleading that go into tax writing. And once in a while, they even offer edifying discussions of interesting ideas that will be utterly disregarded in the eventual law-making.

For instance, Representative Charles E. Schumer dropped in to offer a suggestion he said would do more good than his party's favorite shibboleth, a tax cut for the middle class, or the Administration's grail, a cut in the capital gains tax rate.

The Brooklyn Democrat argued that what the economy needed most was more savings and investment. He said a middle-class tax cut would be puny in its impact, and said there was no historical evidence that capital gains tax cuts or easier terms for individual retirement accounts would do more than help the rich.

Instead, he proposed indexing all savings and investment for inflation. He contended that a major reason why net national savings was only 1.5 percent of the gross national product in 1990, the last year for which there are statistics, is that people preferred to spend money on consumer goods rather than see their savings eaten up by inflation and taxes.

Under his suggestion, if someone put \$1,000 into a savings account at 4 percent, earning \$40, and inflation was 3 percent for the year, only \$10 would be subject to tax. Now, all \$40 is taxed, and the taxpayer in the 15 percent bracket gets a net, after inflation and taxes, of just \$4. The 31 percent taxpayer actually loses \$2.40.

For about 15 minutes, a few mem-

Hearings on taxes offer civic lessons, sort of.

bers of the committee discussed the idea with Mr. Schumer and said it was worth exploring. Sometime.

The prize for the slickest way around a complex problem was claimed Tuesday by Richard G. Darman, director of the Office of Management and Budget, as he advocated cutting capital gains taxes.

There are few things Congress and the Administration say more often and with more insistence than their mutual declarations that this bill must not increase the Federal budget deficit. But Congress's Joint Committee on Taxation says the capital gains measure would cost \$15.4 billion over five years, while the Administration says it would earn \$6.9 billion.

Mr. Darman said the way to get around that was for Congress to pass the measure with a provision declar-

ing a budget emergency, so that it wouldn't have to raise other taxes to make up the \$15.4 billion.

But then the President would not have to declare the emergency, because he would take his Administration's word for it that the change would actually reduce the deficit.

Much of the hearings was devoted to pleading about how one existing clause of the tax code, or some new proposal, was critical to the economy. The interests of elderly farmers, makers of small airplanes, and real estate agents all had their advocates.

But few told a sadder story than James A. Willingham, a Long Beach, Calif., car dealer who attacked the 1990 luxury tax on cars costing more than \$30,000: "In my own dealership, I did not sell a single Rolls-Royce subject to the tax in 1991, down from 13 the year before."

Republicans do believe in capital gains tax cuts, and Democrats do feel that middle-income taxpayers pay too much and the rich too little. If there is a bill, it will be informed by some elements of those beliefs.

The most important purpose of these hearings is to enable the witnesses to report to their constituents or clients that they told Congress what to do. Even if there were rarely more than half a dozen committee members in the room.

Everything you need to know for your business day is in Business Day. The New York Times



Jeane Dixon

HAPPY BIRTHDAY! IN THE NEXT YEAR OF YOUR LIFE: New competitions and awards will make the months ahead truly memorable. Financial success comes through independent enterprises. A real estate deal will improve your economic situation in May. Postpone travel until July. Romance soars to new heights when you and your mate ignore family pressures. Obtaining an advanced degree will boost a loved one's earning potential. Be supportive of a young person's aspirations.

CELEBRITIES BORN ON THIS DATE: novelist Charles Dickens, jazz musician Eubie Blake, actress Erin Gray, pitcher Dan Quisenberry.

■ **ARIES** (March 21-April 19): You have the energy and incentive to accomplish great things. But your loved ones' desires ahead of your own pleasures. Follow an exercise program with enthusiasm. Better

health lies ahead!

■ **TAURUS** (April 20-May 20): Your life takes a new direction without your even realizing it. Do not be upset if a relationship comes to an end. A shrewd career move brings new challenges and rewards.

■ **GEMINI** (May 21-June 20): Curb a tendency to argue with family over money. Learning high-tech skills will boost your earning power. Show more appreciation for your mate's efforts around the house.

■ **CANCER** (June 21-July 22): Loving partners will rejoice wholeheartedly in each other's success. Do not let envy keep you from offering your sincere congratulations. Your words of encouragement inspire a young person.

■ **LEO** (July 23-Aug. 22): A change of procedure at work could add to your clout. Tend to those chores you have been postponing. Then, you can leave for the weekend without a care in the world!

■ **VIRGO** (Aug. 23-Sept. 22): Helping a child overcome feelings of jealousy brings the two of you closer. Welcome an offer of help from a dear friend or colleague. Widen your circle of friends by socializing this weekend.

■ **LIBRA** (Sept. 23-Oct. 22): An influential person gives you strong encouragement now. Forget your doubts and fears about a romantic relationship. Love will find a way! A change of lifestyle leads to new peace of mind.

■ **SCORPIO** (Oct. 23-Nov. 21): Although a courtship gets off to a terrific start, there could be third-party interference later on. Keep your cool. An overly aggressive attitude will only create unhappiness.

■ **SAGITTARIUS** (Nov. 22-Dec. 21): Learn to be a better listener and your circle of friends will grow. Curb a tendency to talk shop at social events. A romance you thought finished could start up again!

■ **CAPRICORN** (Dec. 22-Jan. 19): Projects connected with home and family thrive. A phone call you made a week ago is finally returned. Work goes especially smoothly in the afternoon hours. Emphasize teamwork.

■ **AQUARIUS** (Jan. 20-Feb. 18): Do not grow impatient while waiting for certain promises to be fulfilled. These things take time. Loved one asks a special favor. Do what you can to make a parent's life easier.

■ **PISCES** (Feb. 19-March 20): Pay attention if someone tries to warn you about a certain course of action. This person may have a lot more experience than you do! Get together with that special loved one tonight.

For your personalized daily Jeane Dixon horoscope, based on your own date of birth, call 900-988-7788. Your phone company will bill you 95 cents a minute.

UNIVERSAL PRESS SYNDICATE

SOUTHPAW / David Kolosta



Bush sees opening, heads for Arkansas

By Paul Bedard
THE WASHINGTON TIMES

LAS VEGAS—The wait may soon be over, Little Rock.

With his five-hour visit to Nevada yesterday, President Bush has now visited all but one of the 50 states since taking office three years ago. And it won't be long before Air Force One touches down in Arkansas, say

administration officials.

The Arkansas destination could not have come at a better time.

With Gov. Bill Clinton in the lead among Democratic presidential candidates, the Bush-Quayle reelection team is anxiously awaiting the best time to spring a surprise visit to Arkansas to brake Mr. Clinton's momentum.

Campaign officials already are



collecting information on Arkansas to use against Mr. Clinton. Another Democratic candidate, Iowa Sen. Tom Harkin, has provided much of the ammunition with his relentless

see ARKANSAS, page A9

President proposes his version of cure

By Paul Bedard and Joyce Price
THE WASHINGTON TIMES

CLEVELAND — President Bush launched a pre-emptive strike against Democratic health care proposals yesterday, claiming that the two leading plans would raise taxes, lead to waiting lines for surgery and eliminate jobs.

"And for that price, you get the

worst of both worlds: No one has an incentive to control costs and everyone pays," Mr. Bush told the Greater Cleveland Growth Association.

Mr. Bush came here to announce his own four-point plan to expand health care access to everyone, cut health insurance red tape and limit Medicaid costs.

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HEALTH

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But even before he detailed his program in a speech, Mr. Bush leveled a series of charges against the Democratic health care plans.

"They want to nationalize the health care system, put government in control of the system, let government control the prices, let government ration the kind of health care people get, let government tell people looking for care how much they'll get, what kind and when," he said.

His speech was met with muted applause.

The major points of the president's plan:

- Health care access would be expanded to include poor and middle-income Americans who don't have health insurance. They would be provided a voucher or tax deduction worth up to \$3,750 to pay for health insurance. The credits would be available to any family with a gross income below \$80,000. About 34 billion Americans don't have health insurance.

- Health insurance customers would be encouraged to shop around for inexpensive coverage, a move the administration said would cut costs.

- Waste would be eliminated and malpractice suits reduced under legal reforms.

- Medicaid cost growth, 38 percent last year, would be capped at inflation plus 2 to 4 percent a year.

"Smart, sensible efficiencies will help our reform plan pay for itself," Mr. Bush said.

The Bush plan would not raise taxes or cut Medicaid payments. Officials said that capping the growth of Medicaid, the government health care system for the poor, would provide much of the needed funds to pay for the plan.

The White House will detail other ways to pay for the \$100 billion, five-year program to anyone on Capitol Hill who would sponsor the Bush package, senior officials said.

There are no sponsors yet.

Mr. Bush said a nationalized system would lead to long waiting lines for surgery. "If you live in British Columbia, the wait for coronary bypass surgery is six months. It's no wonder so many people come from abroad to American hospitals for surgery," he said.

Sen. Bob Kerrey, Nebraska Democrat and presidential candidate, favors a national system like Canada's. The administration estimates that such a system would cost up to \$500 billion a year and result in taxes of \$4,000 per wage earner a year.

Mr. Bush also hit a "play-or-pay" plan supported by Senate Majority Leader George Mitchell and Sen. Edward M. Kennedy, Massachusetts Democrat. Under their plan, an employer either provides health care or pays a percentage of payroll into a fund from which the government supplies health insurance.

"It encourages employers to stop offering benefits, throw the problem in the government's lap and dump millions of fully insured workers

into a public plan," Mr. Bush said.

The president chose Cleveland to unveil his program because businessmen here have a special health care program that has been included in the Bush plan. The businesses here have banded together to buy insurance in one large chunk, a move that cut costs. Under the Bush plan, such cooperation would be encouraged and lead to health insurance networks.

As the president spelled out his plan, congressional Democrats attacked it.

The Senate majority leader called the plan "woefully inadequate."

House Majority Leader Richard Gephardt said, "It's a Band-Aid approach."

Pouring "billions of dollars more into this inefficient, wasteful system of health care is like pouring billions of gallons of water back into a sinking Titanic," Mr. Kennedy said.

Mr. Kerrey, campaigning yesterday in Nashua, N.H., called the Bush plan a "sham, a counterfeit bill."

But Republicans on Capitol Hill praised the Bush initiative, as did organizations such as the Health Insurance Association of America and the Federation of American Health Systems.

"I believe the president has given us a high-quality plan for reform," said House Minority Leader Robert Michel of Illinois. But he said he anticipates it will take "several succeeding Congresses before we eventually get to what would be an all-encompassing program covering every facet of health care in America."

ARKANSAS

From page A1

assault on working conditions in the state, but the GOP is looking for more, officials said.

Gennifer Flowers has done her part, too, administration officials said.

Miss Flowers, who says she had a 12-year affair with the married governor, has provided the campaign with an issue close to the president's heart — family values.

"We want to go to Arkansas, and when we do the speech, [it] will include a page on family values," said an administration official.

The campaign stump speech also will go heavy on the Persian Gulf

war, which state residents supported.

Bush aides couldn't say why Arkansas is the only state the president hasn't visited. "No reason," said spokeswoman Judy Smith.

Other administration officials said there was no truth to reports that the president was avoiding the state because of charges from Mr. Clinton's wife, Hillary, that the GOP forced Miss Flowers to go public with her charges in a supermarket tabloid.

Sheffield Nelson, the state's Republican chairman, expects Mr. Bush to campaign in Arkansas before Election Day.

Some in the White House thought Arkansas would be the 49th state visited by Mr. Bush, not last.

The reason: Bush image-makers worried that Las Vegas would be a

poor destination in the president's two-day campaign to sell his \$100 billion, five-year health plan.

If the president simply needed a health care facility to visit, he could have easily chosen Little Rock. When Dan Quayle was running for vice president, he visited the state and toured a hospital.

An administration official said chief advance man Sig Rogich, a former Las Vegas advertising executive, argued for the Las Vegas trip.

But officials, such as newly elevated communications czar Marlin Fitzwater, argued against the trip and the legitimacy of visiting two health care facilities in Las Vegas.

The battle over Las Vegas, however, lasted a week or so and didn't end until Monday, when Mr. Fitzwater finally announced it as a destination.

Hungry wolf in the woods

Right after the State of the Union address, TV reporters were busily conducting polls, and asking the man on the street what he thought about President Bush's economic plans.

But tax policy is far too complex to settle by plebiscite. Ordinary men or women are too busy with their own lives to develop an informed opinion of anything that doesn't affect them directly in some obvious way. How are construction workers supposed to know that their jobs are at stake over something called "passive loss provisions for active investors"?

Since most people get impressions about the economy by watching TV, their opinions can be no better than their information. What they hear on TV is that we are in a terrible mess, frequently compared to the Great Depression, so that is also what they tell the pollsters. Yet unemployment today is about average for the past 15 years, and the economy has been growing since last March, though at a snail's pace.

Alan Reynolds is director of economic research for the Hudson Institute.

Let polls pick the path?

"Stagnation" would be a reasonable description; depression is not.

Economics as taught by television is not the same subject that is taught in our universities. According to TV Economics, economic growth originates in Washington, and the fate of the economy depends entirely on the middle class consumer and getting tough with Japan. Yet consumer spending has barely declined since the third quarter of 1990, while real exports are up about 10 percent.

The main activities that are still significantly below pre-recession levels are non-residential structures (which includes oil wells), military equipment, auto sales (particularly imports) and inventories. How can the media possibly blame declines in real estate and defense industries on either consumer confidence or tough foreign competition?

Besides, the U.S. economy, weak as it is, has been growing faster than Japan, Germany, Britain, Italy or Canada. Are we really supposed to believe that such a worldwide slump is due to profligate debts of the Reagan years, or even to some lack of

attention on the part of Mr. Bush? Not likely.

There are two reasons for the global stagnation. One seemingly obvious reason is that 300 million people in the ex-Soviet Union are suffering a genuine economic depression. That not only killed our exports to the former Soviet bloc, but it has also helped push several of our European trading partners, such as Sweden and Finland, into deep recession. The second global economic problem is that central banks of nearly all major countries brought down growth of the money supply quite dramatically in 1991, partly through an ill-timed tightening of capital requirements. That global monetary squeeze reduced inflation, of course, and allowed interest rates to come down most in those countries that squeezed the hardest — the United States and Japan. In December, Japan's money supply fell by nearly 6 percent. Tight money is fine, but this is ridiculous.

Just as consumers and firms rush to buy things when inflation is heating up, in order to beat the next increase in prices and interest rates, a sudden disinflation has the exact op-

posite effect. It pays to wait for lower prices and lower interest rates. Consumers wait for big discounts and rebates. Firms cut commodity inventories, expecting to buy later at a lower price. Yet what is a lower cost to manufacturers using, say, dirt-cheap aluminum, is also a lower profit to companies that supply such materials. That means some people have to be laid off, particularly if old labor contracts made wages rates rise even as prices fell. Hard assets, once held as hedges against inflation, such as real estate or silver, are likely to be liquidated at a loss. Yet the value of stocks and bonds goes up as inflation goes down, thus increasing wealth while reducing the burden of debt service. Lower interest rates have already shaved about \$7 billion off the federal deficit, cut even more from corporate interest costs, and may save homeowners more than \$40 billion as they refinance their mortgages.

Now, the question is, what do these pains and gains from global disinflation have to do with that grab bag of goodies that the president is peddling? Not much. A third global problem is that tax rates were increased in 1990-91 in Canada, Germany, Japan and, of course, the

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REYNOLDS

From page F1

United States. When other countries tax themselves into recessions, that hurts our export markets, just as our taxes hurt them, too. Many of the president's new proposals for tax relief, though, are merely temporary and rob Peter to pay Paul. Since federal money is not free, any plans that deliberately lose revenue or increase spending mean that somebody gains at somebody else's expense. First-time home buyers are to be given a gift, while those who already bought a home, regardless of their income, have to pay for that subsidy in one way or another. Capital-intensive firms that regularly buy a lot of machinery are to get a little one-year tax credit. But that would simply divert capital away from industries that instead invest more in workers, real estate or inventories. Since real estate and inventories have been far weaker than business equipment, the only purpose appears to be to help producers of business equipment. But that would be ephemeral, too, since firms just would buy more machines this year and less in 1993, and the rush to buy early would push equipment prices and interest rates back up.

It would be marvelous if we could really terminate some costly federal programs and regulations, as the president proposes. And his bold plans to negotiate lower trade barriers with Latin America are already yielding enormous benefits through increased exports and



cheaper imports. Among the tax proposals, though, there is only one that would have both a rapid and lasting impact, and that is the cut in the capital gains tax. A lower capital gains tax would make it possible for new companies to raise venture capital on the stock market, substitute such equity for debt, raise the value of bonds and thus lower long-term interest rates, and raise the value of idle real estate (thus shrinking the cost of the savings-and-loan bailout). But the fact that a lower capital gains tax would permanently invigorate the economy and reduce the deficit is precisely why this policy has been so passionately obstructed by Democrats. After all, the party outside the White House has absolutely no incentive to implement any reform that has a chance of making the economy look good, since that would ensure Mr. Bush's re-election.



Pin no medals on Slick Willie

The past, as every Southerner knows, is not dead. It's not even past.

Bill Clinton, of all the people in the Democratic campaign, can't be surprised by the drip, drip, drip of surfacing evidence of an unsavory past. The drip, drip, drip may yet become the torrents of spring, drowning his attempt to win the presidency.

Gennifer Flowers is fading into the Delta dawn, at least for now, but here comes some more of what Mr. Clinton calls "old news," this time about his furious attempts to dodge military service in Vietnam.

It's true, it's old news. But when the Wall Street Journal reported yesterday that Mr. Clinton obtained a draft deferment on his promise to join the ROTC, and then didn't make good on his promise, it dropped into the campaign not like a bombshell, but as another grenade (if the governor will pardon a battlefield metaphor), and with the pin again only partly pulled out.

It's not so much that Mr. Clinton, then only 22, wanted to avoid military service, but the high-handed way he went about it — and what he did with his free pass. The secretary of his draft board in Hot Springs, a nice little town nestled in the Ouachita Mountains, recalls that he told her he would "fix my wagon and pull every string he could think of" because "he was too well educated to go."

Bill Clinton, it turns out, did what Dan Quayle was only accused of, falsely as his accusers now concede, and more. He pulled strings, bullied little old ladies at the draft board, and manipulated the system for special advantages. Mr. Quayle, the record shows, actually took up the colors that Mr. Clinton was too proud to wear.

"As old as he was," recalls Opal Ellis, his draft board secretary, "he would have been at the top of the list to be drafted. We were proud to have a Hot Springs boy with a Rhodes scholarship [and] the board was very lenient with him. We gave him more than he was entitled to."



J. William Fulbright

Instead of enrolling at the University of Arkansas, as promised, where he could join the ROTC, as promised, he went off to Yale Law School to become hasty pudding. He apparently never intended to enroll at the Arkansas law school. Says Bill Clinton's mother: "That's very strange. I was under the impression when he came home from Oxford that he was going to go to Yale."

One of Mr. Clinton's hometown newspapers, the weekly Spectrum in Little Rock, has filled in a few more details in this story, which, like the stories of Mr. Clinton's womanizing, are old stuff in Arkansas, but not so old elsewhere, where voters are only now actually getting acquainted with him.

He tried to enlist the help of Sen. J. William Fulbright, his senator and for whom he had once worked, and this correspondence, once in the personal papers Mr. Fulbright donated to the University of Arkansas, has disappeared. Jim Johnson, a former Arkansas Supreme Court justice and the 1966 Democratic nominee for governor, says he was told that the contents of the letter would be "devastating" for Mr. Clinton, and he tried to find it. Mr. Fulbright, living in retirement in Washington, does not recall the correspondence. "I'm too old," he told the Little Rock newspaper. "I don't remember much."

Randall Woods, a professor of diplomacy at the University of Arkansas Fulbright Institute of International Relations, says he found one letter in the Fulbright collection in which Mr. Clinton applies a little butter to the senator, praising him for his peacenik work, and asks for his help in finding a government job that would keep him out of Vietnam. But Mr. Woods told the Spectrum that he didn't want to release the letter until his Fulbright biography is ready, and he can exploit the publicity for his book. Besides, he's concerned about how the reporters, not being pointy-headed scholars, will treat the letter.

With the deferment he received on his promise to join the ROTC at the University of Arkansas when he returned home, the man who now wants to be the commander-in-chief of the United States returned to England — where he organized squalid and sulphurous marches on American embassies to heap scorn and ridicule on the American war that he was "too educated" to fight.

A gender gap hurting Clinton emerges in poll

By Ralph Z. Hallow
THE WASHINGTON TIMES

Arkansas Gov. Bill Clinton, although still front-runner for the Democratic presidential nomination, may have run into the gender equivalent of a stone wall, a leading Republican polling firm said yesterday.

The poll suggests that claims by Gennifer Flowers that she had an affair with Mr. Clinton are hurting him among some female voters despite his denials and his wife's staunch defense of his integrity.

The Jan. 29-30 national survey of 1,000 adults asked half the respondents to choose between President Bush and Mr. Clinton and the other half to choose between Mr. Bush and Sen. Bob Kerrey, Nebraska Democrat.

Mr. Bush beat both Democrats in the ballot tests, but the results showed "astounding differences between the support women give Clinton and the support they give Kerrey," pollster Neil Newhouse said, unveiling the findings.

Respondents in the poll, conducted by Mr. Newhouse's Public Opinion Strategies Inc., chose Mr. Bush over Mr. Clinton by 45 percent to 34 percent. Mr. Bush was favored over Mr. Kerrey by 47 percent to 31 percent.

In the Bush-Clinton contest, the president outpolled the Arkansas Democrat by 8 points among men and by an unexpected 14 points among women.

In the Bush-Kerrey match-up, Mr. Bush outscored Mr. Kerrey by 21 points among men and by 11 among women.

"That is an incredible gender turnaround," Mr. Newhouse said. "The Bush-Kerrey numbers reflect conventional wisdom, which holds that a Republican candidate can be expected to do better among men than women."

"The opposite was the case in the Bush-Clinton test, leading one to believe there is some impact on women because of Gennifer Flowers," he added.

"When we look at the data by age we find that older women are more likely to

vote for Bush over Clinton, but that is not the case in a Bush-Kerrey match-up," Mr. Newhouse said.

Pollsters generally agree that Democrats do better with single working women and women over 65 years old.

Mr. Clinton continued to lead the Democratic pack, even after Miss Flowers' allegations, made for pay to a supermarket tabloid, gave the Arkansas governor national name recognition almost overnight.

Feb. 3-5 surveys by the independent American Research Group in New Hampshire showed Mr. Clinton leading with 38 percent, followed by former Massachusetts Sen. Paul Tsongas with 21 percent and Mr. Kerrey with 10 percent.

Iowa Sen. Tom Harkin placed fourth with 9 percent, and former California Gov. Jerry Brown placed last among the major candidates with 4 percent. The poll has an error margin of 4.6 percent in either direction.

Barring some damaging new revelation, Mr. Newhouse said, the ongoing Flowers story is most likely to hurt Mr. Clinton by limiting his ability to expand his base of support.

Mr. Bush's defeat of Mr. Clinton and Mr. Kerrey in the Public Opinion Strategies ballot tests appeared to conflict with the survey's other findings.

Mr. Bush, for example, hit a new low of 48 percent job-approval rating, down from the 82 percent that the Newhouse survey found in January of last year.

Also, in the Jan. 29-30 poll, only 39 percent said they would vote to re-elect Mr. Bush, while 51 percent preferred a "new person."

The findings were a dramatic turnaround from an Oct. 16-18 Newhouse survey in which 51 percent said they would vote to re-elect Mr. Bush and 39 percent opted for a "new person."

"All this shows is that, right now, there is no credible Democrat out there that voters are familiar with," Mr. Newhouse. He added said, "Clinton has achieved name recognition in the last three weeks, but it is not the kind he would prefer."

Democrats seek health care overhaul

By Joyce Price
THE WASHINGTON TIMES

The Bush administration plan for health care reform is far less radical than the two main reform strategies being promoted by the Democrats.

Pennsylvania Sen. Harris Wofford, a Democrat whose upset victory over Dick Thornburgh in November made health care reform a national political issue, yesterday described the Bush plan — with its tax credits, tax deductions and vouchers to help people buy private insurance — as merely "tinkering" with the problem of health care costs and accessibility.

House Majority Leader Richard Gephardt, Missouri Democrat, described the plan as "minor tinkering" and charged that "comprehensive change" in the American health care system is what is needed.

While President Bush might not like the term "tinkering," his plan essentially involves modifications to the existing free-market health in-

surance system.

The Bush proposal also would limit future spending increases for Medicaid and Medicare. Proponents say Medicaid will not need as much money, because many people formerly covered by Medicaid would be covered by private insurance under the administration's program.

In contrast, plans offered by Democrats would either throw out the current system and establish a new government-run and taxpayer-subsidized national insurance system or would create a new "pay-or-play" program that some claim would be a compromise between the current system and national health care.

Senate Majority Leader George Mitchell, Maine Democrat, and House Ways and Means Committee Chairman Dan Rostenkowski, Illinois Democrat, are pushing their own versions of a "pay-or-play" plan for health care reform. Under this approach, employers would be required to either provide health in-

surance for their workers and workers' dependents or pay a payroll tax to fund an expanded Medicaid-type program to cover uninsured workers and dependents.

Co-sponsors of the Mitchell bill, which calls for a 7 percent payroll tax, include Sens. Edward Kennedy, Massachusetts Democrat, and Jay Rockefeller, West Virginia Democrat.

Critics of the "pay-or-play" concept, such as the conservative Heritage Foundation, have charged that this plan would put too much of the burden on employers and that workers would suffer as a result.

"Many would lose their jobs as employers cut payrolls in response to the high costs of expanded coverage mandated by the government," Edmund F. Haislmaier, a Heritage policy analyst, wrote in a recent report.

"Many other workers," he said, "would see their paychecks shrink as employers offset the new tax or insurance costs by cutting workers'

cash wages."

Sen. Bob Kerrey, Nebraska Democrat and presidential hopeful, has introduced a bill that would create a \$300 billion government-funded health insurance program that would provide universal access and replace all existing private and public health programs.

His plan would be funded by a 5 percent payroll tax, along with other new corporate, Social Security and excise tax boosts.

On the House side, Rep. Marty Russo, Illinois Democrat, has introduced a bill that would create a tax-subsidized, universal, single-payer health care system. The bill has 66 co-sponsors.

Critics of a national health care system claim it could cost taxpayers as much as \$250 billion a year and say Americans would never stand for the long waits for surgery and diagnostic tests that are almost routine in government-run systems such as those in Canada and England.

DOUG BANDOW

Regulatory reach of disabilities act

President Bush has now pronounced himself against regulation. "Regulatory overkill must be stopped," he intoned in his State of the Union Speech.

While his three-month moratorium on new rules is better than nothing, it shouldn't be allowed to obscure the fact that he has spent three years increasing the pace and heavy-handedness of federal regulation. Indeed, one of the most burdensome of the new measures, the Americans with Disabilities Act, went into effect just two days before President Bush spoke.

The law has two major facets. The first applies to "public accommodations" — that is, businesses that deal with the public.

The ADA will force firms to become "accessible" to those who are disabled. Retail establishments will probably have to reconfigure stairs and doors, hardware stores may have to expand aisles, restaurants may have to provide menus in braille, and so on. These provisions became effective against businesses with more than 25 employees on Jan. 26. The rules will apply to many smaller firms as of July 26.

Similarly, new bus and subway cars must now be made accessible to the disabled. Over the coming year and a half stations will have to be made accessible as well. Also by July 26, 1993, telephone companies are to provide relay services for the hearing- and voice-impaired.

The second regulatory thrust is to

Doug Bandow, a senior fellow at the Cato Institute, is a nationally syndicated columnist.

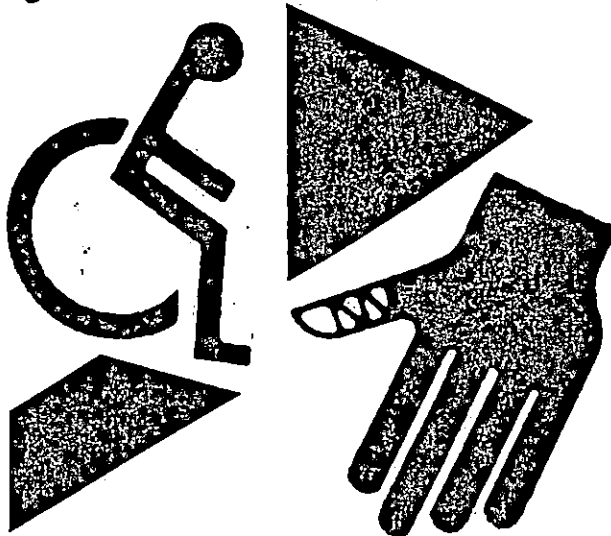
ban discrimination against the disabled and require companies with more than 15 employees to take affirmative steps to accommodate those with handicaps. Within six months, for instance, companies may have to start hiring translators for the deaf.

At first glance, it might seem hard to fault these sorts of provisions. After all, who doesn't want the handicapped to be part of the American mainstream? Indeed, the ADA was presented as a long overdue civil rights measure.

But the law does far more than ban simple discrimination; it also requires expensive affirmative action on behalf of the disabled. And that hardly seems fair, since businessmen are not responsible for the handicaps of the disabled. Although we should feel compassion for someone who is blind or wheelchair-bound, that doesn't mean we should force someone else to reconfigure a doorway for him.

Moreover, cost should matter. Those in wheelchairs might prefer that all buses and subway trains be made to accommodate them, but it would be far cheaper to provide a special shuttle bus service. Simply being disabled does not give one the right to force others to offer the most expensive option available.

Indeed, the ADA will hurt many people in many ways. A small hardware store forced to make larger aisles, for instance, will have to cut



the number of goods that it carries and raise the prices of those that remain. It would make more sense for employees to bring products to the person in the wheelchair.

The law would be burdensome enough if it were clear, but, alas, many of its provisions are ambiguous and will have to be interpreted by the courts. The result may well be a rush of unpredictable and expensive litigation.

As a result, observes congressional staffer Robert O'Quinn, com-

panies "will do everything that the act might possibly require rather than risk going to court."

The legal terrorists have already begun to strike. Marc Fiedler, a Washington lawyer, is a quadriplegic. Within three days of the law going into effect he filed four lawsuits, charging the AMC Union Station Nine Theatres, Capital Hilton Hotel, and Raleighs and Woodward & Lothrop department stores with discrimination.

"I'm tired of asking for equal

access," he exclaimed. "Now I'm demanding."

He is angry that elevator buttons were too high, bathrooms were not configured conveniently for his wheelchair, ramps were not provided and the theater did not offer seating for "optimal viewing pleasure." He is demanding \$25,000 from each defendant under the D.C. Human Rights law as well as a court order to force the firms to rebuild their facilities. The money is to provide recompense for the "indignity and stigma of discrimination," as well as emotional distress, which he says he suffered.

And a lot of other lawyers — either disabled themselves or representing the disabled — are likely to join Mr. Fiedler in court. Edward Potter of the Employment Policy Foundation predicts roughly 12,000 new discrimination suits annually.

Evan Kemp, chairman of the Equal Employment Opportunity Commission, believes there won't be that many new lawsuits but expects the number of complaints filed with his agency to rise by as much as 15,000, a 25 percent increase.

As a result, the ADA will do far more damage to the economy than Mr. Bush's three-month moratorium will prevent. If the president truly wants to help lift Washington's regulatory burden, he's going to have to ask Congress to reconsider the many major regulatory acts that he himself signed into law, starting with the ADA.

JOSEPH SOBRAN

If there is one phrase that makes my blood run cold, it's "government economist." A man who knows anything about economics shouldn't have anything to do with the government.

The modern world is full of "experts" who know everything about their specialties except the first thing. An expert might be defined as a man who has mastered his subject from B to Z.

Moreover, you often find experts in disagreement, even in diametrically opposite positions. Who shall decide when doctors disagree? Or, in political terms, how do we choose which expert to take advice from? And how much confidence can we have in our rulers' choice of economic advisers?

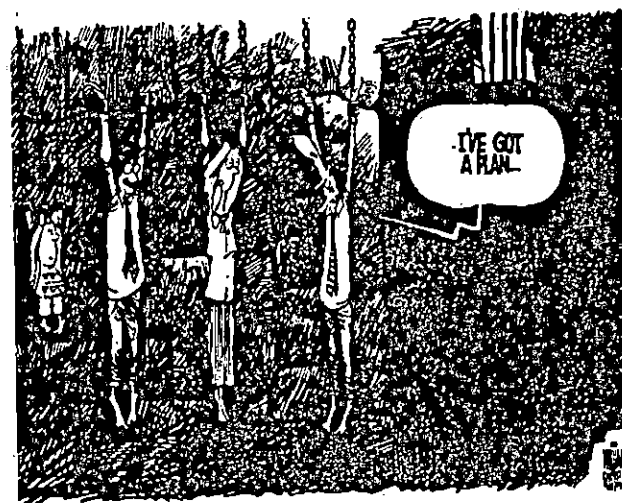
We are in a "recession" now, we are told. I think it would be more accurate to say that we are in a more or less permanent depression. Our standard of living has declined, overall, for two decades. Young families now can't afford houses. Wives and mothers have to work, not to get ahead, but just to keep up with taxes.

Taxes are money you are forced to pay (or go to prison). When George Will, for example, says we are "undertaxed," he is saying that the state isn't using enough coercion against us. Well, that's one opinion.

The simple truth is that the more you are taxed, the poorer and more demoralized you get. Money taken from you represents wasted effort, a loss of control over your own life — a sort of fractional slavery. Taxes render us economically futile. They make work, effort and enterprise irrational. Do this to a whole country, and the result is decline and depression.

Joseph Sobran, a senior editor of National Review, is a nationally syndicated columnist.

Caution: Experts on the horizon



You get the feeling that a lot of government economists haven't drawn any lessons from the 20th century. If they had, they'd have noticed that countries with low taxes prosper, while overtaxed countries collapse. There can be other causes of economic ruin, but this is the basic one. This is the missing A in the alphabet of the government experts.

The communists made the mistake of assuming responsibility for economic production. Having abolished private enterprise, they had no scapegoats to blame when the results of their mismanagement became unavoidable.

The American economic interventionists, who are more or less Keynesian, have avoided that mistake. They never call for the total abolition of private enterprise; but as a result, they can always blame "the private sector," never their own meddling, for declining production. They don't pay for their mistakes; we do. Lots of experts can't resist the chance to wield power, and the pity of it is that we have come to expect them to. We deferentially surrender our freedom to experts.

As Milton Friedman once said (truelly, I trust), we are all Keynesians now. We speak of "the economy"

as one gigantic unit, to be managed, like an enormous mutual fund, by the federal government. The experts have convinced us that we can all get richer if they manage our money for us.

But the mutual fund is a dangerous model. Investment counseling is a special skill. It's hard enough to make the savings of a few private individuals pay dividends; not many people can succeed at this, and a Ph.D. in economics is no guarantee that you'll be good at it, even if your theories are sound.

The idea that the government can manage our aggregate wealth for us better than we could manage it separately for ourselves is one of those preposterous notions that are somehow rarely challenged. Our Keynesian wizards were going to lead us all to uninterrupted prosperity; remember? Interventionist assumptions have become dogmas by default. They would be highly questionable even if we could be sure that the government really means well.

But the government doesn't mean well, any more than a dinosaur means well. It's a huge, clumsy, unwieldy thing, whose own structure requires it to pander constantly to those who want other people's money.

This beast rather naturally chooses to be guided by the sort of experts who won't fundamentally criticize its native impulse to intervene. If the taxpayers howl enough, it may slightly relieve their burden for the moment. But it won't spontaneously change its evil ways. It has to be forced to.

And the taxpayers won't force it to until they realize that they've been had by the experts. Government can't and won't do them any favors. It has far more power to do harm than good. It can tax. It can stifle trade and production. It can steadily debase money. The one thing it can't seem to do is stop.

KEN ADELMAN

The lawyers are attling, more like union rkers in the '20s than professionals in the '90s, while pursuing practices that make tm appear more selfish and secretive.

Lawyers' organizations are still simmering over one of their own, Vice President Dan Quayle, firing the first salvo last August. He told the American Bar Association convention that "abuse of the civil justice system has become a self-inflicted competitive disadvantage," and sounded slyly innocent when asking rhetorically, "Does America really need 70 percent of the world's lawyers? Is it healthy for our economy to have 18 million new lawsuits coursing through the system annually?"

Then ABA President John Curtin grabbed the mike after Mr. Quayle left the podium and pleaded against the notion of eliminating all lawyers. Mr. Quayle returned to say he wasn't advocating that, just saying that the profession has been carried away.

Ken Adelman is a nationally syndicated columnist.

Lawyers in a defensive crouch

Rather than Mr. Quayle taking "political shots," he's continuing to raise legitimate objections and suggestions, while lawyers are continuing to crouch down in the defensive mode and shoot themselves in the foot.

Now ABA President Talbot D'Alemberte is back at it — showing both how Mr. Quayle's complaints hit an emotional response across Amer-

ica and how thin-skinned lawyers are when criticized.

Mr. D'Alemberte is busy preparing an "open letter" saying, in essence, "No More Mr. Nice Guy!" He warns Mr. Quayle that lawyers won't "sit passively" if the Veep takes more "political shots" against the sacred society, and accuses Mr. Quayle of using "gratuitously insulting and offensive" political rhetoric against the profession.

Rather than Mr. Quayle taking "political shots," he's continuing to raise legitimate objections and suggestions, while lawyers are continuing to crouch down in the defensive mode and shoot themselves in the foot.

For the same day Mr. Quayle reiterated his line before the American Tort Reform Association, on Tuesday, the American Bar Association voted to nix a move for openness that surely would have been passed by the Russian Bar Association.

Disciplinary actions in Russia may be open, but not in America when it comes to lawyers. The ABA voted to keep secret its disciplinary moves against lawyers, despite the recommendation of the ABA commission chairman. Raymond Trombadore pleaded with his fellow lawyers for more openness to keep the profession from "charges of cronyism, coverup and self-protection, charges that we are looking out for our interests and not the interests of the public."

The ABA decided otherwise, which adds to characterization of the lawyers' group as like an early steelworkers union — protective, secretive, scared.

Lawyers can be justifiably scared since they sense American resentment at the \$300 billion annual price tag for our legal system. Granted, that system lies at the heart of American democracy, but other

states are democratic without such a pricey and complex system.

In fact, the Washington area itself has nearly four times as many lawyers as all of Japan. All told, the United States has 26 times the relative number of lawyers as Japan — per 100,000 of population, we have 281 lawyers, while Japan has only 11. England has 82 and Germany, 111.

If anything, their number is skyrocketing. Over the past 20 years, the number of lawyers here has grown five times faster than the entire U.S. population, and twice as fast as the number of total jobs.

Overbred, lawyers are also overfed. Partners in firms nationwide average \$168,000 income annually, while those in New York and Los Angeles commonly haul down a million dollars or so a year.

They're also overprotected, with half the members of Congress part

of the legal profession. No wonder new legislation is often so complex, and takes an army of lawyers to decipher. It's been estimated that nearly half the \$40 billion cost of last year's Clean Air Act will go to lawyers, rather than to pay for real efforts to clean up our environment.

Their numbers clog the legal system. The average lawsuit now languishes in court for 19 months before action is taken. And the numbers continue to rise: Civil lawsuits filed in federal courts have more than tripled over the past three decades.

Mr. Quayle hits the problem as leader of the Council on Competitiveness. "Why," he might ask rhetorically in his next salvo, "must major companies now spend more on legal fees and product liability than on research and development?"

And, "Why does the U.S. now spend nearly four times as much on litigation as on civilian research and development?"

Rather than channeling their energies into retaining secrecy, lawyers might openly examine such legitimate issues. The defensive crouch shouldn't continue.

Report questions Clinton's draft record

By Jerry Seper
THE WASHINGTON TIMES

Democrats looking to derail Arkansas Gov. Bill Clinton's presidential campaign are quietly shopping a report charging that he avoided military service during the Vietnam War by making an ROTC commitment he later reneged on.

The report claims Mr. Clinton backed out of a 1969 deal with the Army ROTC at the University of Arkansas but received "favorable treatment" from his Hot Springs, Ark., draft board after a visit by "an influential stepuncle."

"For someone with a self-described IQ of a jillion and an ability to memorize answers to every question, Clinton's lack of recollection of events where he was an active participant seems quite unusual," the report says.

The report, obtained this week by The Washington Times, was described by a high-ranking Democratic Party official as the "work product of professional researchers

inside and outside the presidential campaigns," although he declined to elaborate.

"All the Democratic campaigns are looking into Bill Clinton's draft record," said the official, who asked not to be identified. "This is exactly the kind of stuff that would come out in the fall, particularly against George Bush."

The Wall Street Journal yesterday reported similar allegations involving Mr. Clinton. "Obviously there's more than one copy of the report going around," said the Democratic official.

Spokesmen for the other major Democratic presidential candidates — Sen. Bob Kerrey of Nebraska, Sen. Tom Harkin of Iowa, former California Gov. Jerry Brown and former Massachusetts Sen. Paul Tsongas — all denied yesterday that they had distributed any reports on Mr. Clinton.

Mr. Kerrey, a Vietnam War hero who has commented on Mr. Clinton's lack of military service before, said many people attempted to evade the



"I think it's going to hurt him. I think it's going to raise further questions."

— Iowa Sen. Tom Harkin,
Democratic presidential candidate

draft during the war. "I hope he's telling the truth, but I've got some doubts," Mr. Kerrey said.

"I think it's going to hurt him," said Mr. Harkin, a Vietnam-era veteran. "I think it's going to raise further questions."

Mike Gaudin, a spokesman for Mr. Clinton, yesterday said the issue had been raised — and rejected — in the past. "Usually, it's the Republicans who have put these attack sheets together in last-ditch efforts to save their campaigns," Mr. Gaudin said.

Mr. Clinton, on the campaign trail in Manchester, N.H., dismissed the allegations as "old news."

The report alleges that Mr. Clinton:

- Held a student deferment from November 1964 to March 1968 while he attended Georgetown University and was reclassified 1-A (available for military service) in March 1968 "in anticipation of his graduation from Georgetown."
- Was not required to take the physical until February 1969, seven months after his Georgetown graduation, and remained eligible for the draft for another six months after passing the physical.
- Was reclassified in August 1969 as 1-D (member of reserve component or student taking military

training) after a "deal" with the Army ROTC at the University of Arkansas in Fayetteville to attend Oxford University in England as a Rhodes Scholar.

• Agreed to participate in the ROTC program after Oxford and two years of law school at the University of Arkansas but "changed his mind" in October 1969.

The report said Mr. Clinton's October 1969 decision to back out of the program coincided with the passage by Congress of the Military Selective Service Act, which instituted a draft lottery and eliminated student deferments.

Mr. Clinton's lottery number, 311, which was never called. He never did attend law school in Arkansas, graduating instead in 1973 from the Yale University School of Law.

The report said the ROTC agreement was canceled after a relative, Roy A. Clinton Sr., talked to the head of the ROTC program.

Roy Clinton, a former state legislator and prominent businessman in Hot Springs, died in 1989.

Bill Clinton confirmed in an October 1978 interview with the Arkansas Gazette that an unnamed relative had talked with the ROTC commander, Col. Eugene Holmes, and had been told the agreement would be canceled.

Col. Holmes, now retired, said yesterday it was "unusual" for a person to obtain a deferment before formally entering the program, but he denied that any rules had been broken. He said he didn't believe the future Arkansas governor had ever "signed a contract."

He said he didn't recall talking with any Clinton relatives about the matter.

It is not clear how Mr. Clinton could have persuaded his draft board to change his classification from 1-A (available) to 1-D (deferred) if no contract actually had been signed.

"Clinton received very favorable treatment by his local draft board — even for a poor boy made good with an influential stepuncle," the report says.

INSIDE THE BELTWAY

In the shuffle

Those conservatives who still have ties with the Bush administration have been wondering how they will fare now that Sam Skinner is playing gatekeeper. Their curiosity is somewhat piqued by a story, perhaps apocryphal, about a Chicago breakfast meeting during Mr. Skinner's early days as transportation secretary. "So, what have you accomplished so far?" he was asked. "Well, I've fired all those damn Reagan conservatives," he is reported to have answered.

The story is widely circulated and, if not true, one day it will be. Anyway, as White House chief of staff, Mr. Skinner has called in several groups of conservative leaders for conferences in recent weeks. Some see that as a good sign. Some also take heart in the elevation of Leigh Ann Metzger to a more senior position in the public liaison office. "We'll have more influence and better access," said one of those who visited with Mr. Skinner.

Two points the conservatives hammered on in the meetings were that any tax increase is going to be severely damaging to the president, no matter how well disguised it might be, and that Dick Darman, honcho of the Office of Management and Budget, has got to go.

Buchanan at CPAC

Presidential aspirant Pat Buchanan will address the annual Conservative Political Action Conference in late February. A statement issued by the group noted that "President Bush has also been invited to address the conference but has declined."

Sponsors say they are not reading anything into the rejection by Mr. Bush. "Dan Quayle has accepted as the banquet speaker, so the administration is represented," we were told.

Out of control

Geraldo Rivera's syndicated "Now It Can Be Told" show has been in Washington doing a series of programs on the revelations in the book "Silent Coup." G. Gordon Liddy, a talk show host with WJFK-FM and the mastermind of the Watergate break-in, was asked to do a segment on his role. He agreed and joined the film crew in the very same room used as the staging area for the break-in at Democratic headquarters.

"After they'd shot the film, Geraldo left and we were all



G. Gordon Liddy experienced a certain uncontrollable urge.

headed out to dinner," Mr. Liddy told us. "As we were leaving, I noticed a closet door open. I looked in and there was one of those bathrobes, the kind with a crest that they provide in the posh hotels. I grabbed it and stuffed it in my briefcase."

"Barbara Newman, the producer, looked aghast. 'I can't believe this,' she said, 'What are you doing? Are you actually going to take that robe?'"

Mr. Liddy said he smacked his head as if he'd just done something unforgivable. "I don't know," he told the shocked producer. "I think it's an obsession. I just can't leave the Watergate without stealing something."

Unfair treatment

Tucked in among the many mysterious messages we receive in the mail was a protest from Capitol Hill urging that we look into discriminatory treatment of congressional staffers who make \$101,331 — the top allowable salary.

Seems House Speaker Tom Foley ordered that those who make the top salaries won't get their annual cost-of-living adjustment of 4.2 percent this year. It may be a tad difficult to sympathize with the plight of anyone who makes over \$100,000 per year, but the point about the unfairness of it is well taken. The elected officials, including Mr. Foley, made certain they got their COLAs; in fact, the Senate

raised its pay cap in order to accommodate the infusion.

Like the name

We were kind of curious about a report that the Republican National Committee had petitioned the Federal Elections Commission seeking to put a lock on the name "Americans for Bush." That was the name of the independent expenditure group founded by Floyd Brown that put together the Willie Horton ad in 1988.

"The Bush campaign and the RNC did everything they could to put us out of business. It's kind of ironic that after all that, now they want to benefit off our good will with hundreds of thousands of Americans," Mr. Brown told us. He said he hasn't organized another PAC and is spending his time talking to conservatives about whether to support Mr. Bush again. As far as the name goes, the RNC can have it, he said. "I'm not fighting it."

He's not involved

Contrary to the enthusiastic report appearing recently in this column, Jack Kemp "has not been involved in the Croatia issue at all," according to a close associate. The secretary of housing and urban development did not attend the Wednesday night reception honoring the 41 countries that have recognized Croatia's independence. He had sent regrets, having committed to a Hudson Institute reception instead.

Spotted owl stew

Anyone who read the food section of The Washington Post on Wednesday might wonder if poachers have opened up shop at the D.C. Farmers Market. According to an advertisement, one firm was offering: "Fresh Hawks, 39 cents a pound."

As all good little greenies know, hawks, as well as falcons and vultures, are protected species. Well, put down your picket signs and chill out. It was all a mistake. The ad should have read: "Fresh ham hocks."

"We've gotten at least two dozen calls on the ad," said Bryan Corsini, manager of Country Cousin's Meats at Fifth and Neal streets NE. Mr. Corsini, 30, is also a hunter and environmentalist, he tells us.

"One guy came in here and said, 'Gimme two dozen fresh hawks and keep the feathers on!'"

— John Elvin

ELECTIONLINE

A LOOK AT THE CANDIDATES' QUEST FOR THE PRESIDENCY

'Just don't know' how polls play out

By Richard Benedetto
USA TODAY

With 11 days to go before the New Hampshire primaries, President Bush and Arkansas Gov. Bill Clinton hold leads in their respective party races, a new USA TODAY/CNN/Gallup tracking poll finds.

But veteran handicappers of the politically savvy New Hampshire electorate know better than to bet the mortgage on early polls, no matter how far ahead someone is now. Backers of Bob Dole, Walter Mondale, Birch Bayh and Edmund Muskie found out the hard way.

"You just don't know what's going to happen in New Hampshire," cautions Stephen Hess, Brookings Institution political analyst.

In the Democratic contest, Clinton has a 13-point lead over former Massachusetts senator Paul Tsongas, his widest margin yet. But his support is considered fluid:

► Most of the poll was taken before a news report — which he disputed — on how he avoided the military draft.

► There's concern that allegations of a 12-year love affair with a nightclub singer could hurt in the voting booth.

► Front-runner status will make him the target of attacks by his rivals. It's already begun on the draft issue.

"Voters see very little difference among the top Democratic candidates," says University of New Hampshire pollster David Moore. "If negative stories start to erode Clinton's lead, his supporters will begin to calculate whether he can win or not, and easily shift to someone else."

Another worry for Clinton: The poll finds that virtually half New Hampshire's Democrats aren't satisfied with the field, and 18% say they want New York Gov. Mario Cuomo to jump in. A Cuomo write-in effort is under way.

Bush has a 2-1 lead over conservative commentator Pat Buchanan, with Buchanan inching up. But the key is margin of victory. Bush needs to win by more than 2-1 to avoid perceptions that he is weakened as the race swings South.

Bush can count on a blitz of TV ads, Cabinet members and other surrogates storming New Hampshire, and three days of personal campaigning. "We're putting on a full-court press," says Torie Clarke, campaign press secretary.

Both polls have a margin of error of 4 percentage points.

NEW HAMPSHIRE PRIMARY

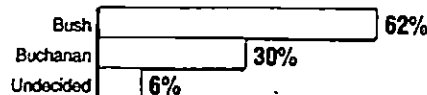
So far, it's Bush, Clinton

From today until primary day, Feb. 18, the USA TODAY/CNN/Gallup poll will track voter preferences in New Hampshire. The poll is compiled from three days of successive polling in the state, ending by 9 p.m. EST the night before publication. Results will appear daily.

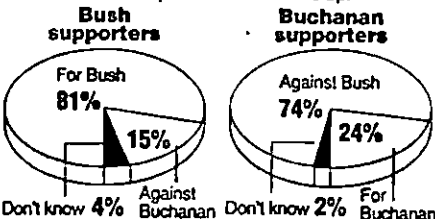


THE REPUBLICANS

Preference for presidential nomination



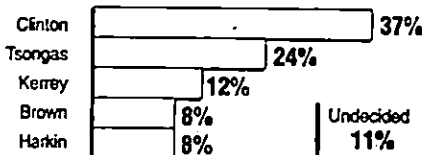
Most Republican backers of Pat Buchanan say they do so in protest of President Bush. Here's how the so-called "protest" vote stacks up.



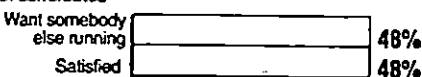
Source: Feb. 4-6 telephone poll of 612 adults planning to vote in the New Hampshire Republican primary, conducted by The Gallup Organization

THE DEMOCRATS

Preference for presidential nomination



How New Hampshire Democrats feel about the field of candidates



NOTE: Mario Cuomo was named by 19% of Democrats

Source: Feb. 4-6 telephone poll of 565 adults planning to vote in the New Hampshire Democratic primary, conducted by The Gallup Organization
Margin of sampling error for both polls is 4 percentage points

By Marty Baumann, USA TODAY

REPORTER'S NOTEBOOK

NO NEW FURS: The Clinton campaign's advice to loyal Arkansians going north to campaign for him warns them to bring boots, parkas, wool sweaters and other winter apparel because "it is extremely cold in New Hampshire this time of year — an average 10 degrees." It adds: "Mink coats are discouraged due to the strong animal rights movement in New Hampshire."

DUKE'S DEMISE? Former Ku Klux Klan leader David Duke, who's trying to mount a Republican presidential campaign, reports he's raised only \$58,864 — mostly transferred from his unsuccessful campaign for Louisiana governor last fall. Duke contends he's having trouble finding a company willing to handle his direct-mail effort. Meanwhile, in the wake of tabloid allegations against Bill Clinton, the ever-flamboyant Gov. Edwin Edwards, who beat Duke last fall, is quoted as saying that if "the Star paid \$50,000 to every girl I've run around with they'd be bankrupt."

TV NOTES: C-SPAN, the cable TV network with an unedited, cinema verite approach to campaign coverage, continues its weekly *Road to the White House* series today at 5 p.m. EST. GOP candidate Pat Buchanan appears on a C-SPAN call-in from 6 to 7 p.m. EST. CNN's nightly *Inside Politics '92* today examines questionable claims in the candidates' ads (4:30 p.m. EST, re-airs 12:30 a.m. EST). And ABC's *This Week With David Brinkley* (check local listings) broadcasts from New Hampshire Sunday with Buchanan, and Democrats Bob Kerrey and Paul Tsongas.

CAPITAL LINE

USA TODAY'S BRIEFING ON WASHINGTON

Report: CIA chief on anti-Saddam mission

President Bush has sent CIA Director Robert Gates on an unpublicized mission to the Middle East to consult with Egypt and Saudi Arabia on efforts to hasten the downfall of Iraq's Saddam Hussein. *The New York Times* reports today, quoting unnamed Bush administration officials. It also reported that some other officials insisted the trip was an inaugural tour of CIA posts in the Middle East. *The Times* said the anti-Saddam strategy appeared to be two-fold:

► Secret planning to overthrow Saddam.
► More public military pressure against Saddam, under the auspices of the United Nations' post-gulf-war sanctions. Included: a "demonstration" bombing raid against an Iraqi arms factory or chemical weapons plant.

In other developments:

► The Washington Post reported today that a human rights group, Middle East Watch, disputed accounts of Iraqi atrocities that said Iraqis killed several hundred babies in 1990 in Kuwaiti clinics. The Post said the group could find no records of mass burials and said incubators said to have been stolen by Iraqis were accounted for. U.S. Ambassador to Kuwait Edward Gnehm, in a Jan. 27 letter to Rep. Tom Lantos, D-Calif., vouched for the credibility of Nayirah Saud Sabah, who in Oct. 1990 tearfully described infanticide at one of the hospitals to a congressional panel headed by Lantos. Last month it was disclosed that Sabah was the daughter of Kuwait's ambassador to Washington.

► U.S. and Kuwaiti forces said they'll conduct another in a series of joint training exercises in Kuwait.



USA TODAY
LUJAN: 'Time to end ... practice.'

PARK PERKS: Members of the House lost special check cashing privileges, then they lost revolving charge accounts at the House restaurant. Now, *The Washington Post* reports today that Interior Secretary Manuel Lujan will no longer allow members of Congress, the executive branch and the federal courts access to government vacation houses. The National Park Service's VIP lodging is located in Grand Teton National Park, Virgin Islands National Park, the Cape Hatteras National Seashore and Shenandoah National Park. "It's time to end a practice that is perceived by the public at large as an unwarranted special privilege not available to other park visitors," the Post quoted Lujan as saying. From now on, the facilities will be used for conferences, visiting researchers and Park Service employee housing.

STUDENT LOANS: Senate and House proposals offer new college tuition programs that would have the IRS collect student loan payments. Two similar bills call for the money to go directly from the government to schools. The pay back would be based on the former student's income. Loans are now handled through banks, which would be eliminated under the two new plans as a middleman.

LOW RECOVERY: The Justice Department has recovered only a tiny fraction of the court-ordered restitution in major savings and loan fraud convictions, congressional auditors said. So far, the government has collected only \$365,000 of the \$83.6 million in restitution and fines ordered in the major cases, the General Accounting Office said, a recovery rate of less than half of one percent.

Comparing the health care proposals

WHITE HOUSE

President Bush's plan

GOAL

Ease burden of high insurance premiums through tax credits, reforms

MAIN POINTS

Tax credit: Up to \$3,750 for family with income under \$80,000 a year to buy insurance. Low-income families will get that amount from government for insurance. Above \$80,000-income earners excluded.
Guaranteed coverage: Require companies to scrap existing conditions clauses that limit coverage.

COST

\$35 billion annually when fully implemented in five years. It would cost a total of nearly \$100 billion during the phase-in period.

FINANCING

Suggests various possibilities, including cost-saving industry reforms, curbs on malpractice awards, capping Medicare and Medicaid spending.

Pay or play plan

GOAL

Senate leadership bill to provide coverage for all, reduce costs

MAIN POINTS

Coverage: Employers must provide insurance for workers or pay a tax — estimated at about 7.5% of their payroll — into a fund for uninsured. Coverage requirements would be phased in for smaller businesses.
Medicaid: Federal-state health care plan for poor would be replaced with a plan covering the uninsured.

COST

\$6 billion for the first year, but Democrats say it would save individuals and businesses \$215 billion over five years.

FINANCING

States, federal government and private businesses would share the cost of the public plan. Employer payroll tax would cover workers. States would work with the medical industry to get costs under control.

National health care

GOAL

Bill from Rep. Marty Russo, D-Ill., for universal health care.

MAIN POINTS

Individuals would receive a national health insurance card that would entitle them to a wide range of medical and hospital benefits. Medicare and Medicaid would be eliminated. Individuals would be able to choose doctors and hospitals.

COST

Russo says it will save money by reducing premiums, deductibles, and co-insurance payments even with tax increases necessary to pay for it.

FINANCING

National Health Trust Fund would be created and funded through premiums paid by elderly who had been covered by Medicare, employer payroll taxes, increases in corporate and individual income taxes.

Kerrey plan

GOAL

Nebraska Sen. Bob Kerrey's bill with elements of both proposals.

MAIN POINTS

Federal and state governments would run the financial end of the program, using federal and state health care funds and a new payroll tax. People would be able to choose their doctors and hospitals. Costs would be kept down by negotiating rates between medical professionals and the states.

COST

New taxes: \$479 billion first year, in place of most insurance premiums. Overall health care spending predicted to fall.

FINANCING

5% payroll tax — 4% from employers, 1% from employees; higher liquor and cigarette taxes, corporate tax, 2% tax on non-wage income to finance the new program and a 33% top rate on federal income taxes.

Bush unveils health care plan

Not sure how to pay for it

By Judi Hasson and Kevin Anderson
USA TODAY

Everyone is talking about fixing the health care system. Few people, including President Bush, seem to have the answers on how to pay for it.

Bush jumped into the debate Thursday by outlining in a Cleveland speech his proposal to make health insurance affordable for more people.

The main feature of his \$100 billion plan: tax credits or deductions to help families pay for private health insurance.

Missing from his plan: How to pay.

"We'll figure that out," Bush told reporters before a coast-to-coast hop to promote his proposal.



STARK: 'Plan is terminally sick'

The administration appears to want Congress to figure it out. "Our plan will produce overall cost savings in the system," Health and Human Services Secretary Louis Sullivan said.

But when asked where the money would be found to offset the plan's price tag, Sullivan

said, "We've outlined 38 pages of options for Congress to consider in how to do that."

Twice in the past two weeks, the administration has backpedaled when reports appeared that Bush would endorse specific financial options:

► Just before Bush's Jan. 28 State of the Union speech, his staff retreated on taxing the health benefits of high-income employees and capping the tax deduction companies could take for health insurance.

► Wednesday, the administration backed down from reports it would wring the savings out of Medicare and Medicaid.

Bush's prescription for the health insurance dilemma comes a week before he's expected to formally announce his plans to run for re-election.

It's also three months after Sen. Harris Wofford, D-Pa., put the issue on the political map when he won his Senate seat by telling voters: "If criminals have the right to a lawyer, then working Americans should have the right to a doctor."

Bush's audience of business leaders in Cleveland interrupted him only once with applause. It came when he turned that line around: "You shouldn't have to pay a lawyer when you go to the doctor."

But Bush's proposal for tax credits to



By Barry Thumma, AP

EXPLAINING PLAN: President Bush explains his \$100 billion health care plan to an audience in Cleveland Thursday. He said "we'll figure out" how to pay for it later.

help people buy insurance, reform of malpractice damage awards and revamping the insurance marketplace ran into immediate criticism for being short on details for real change.

"It's robbing Peter and mugging Paul," said Ron Pollack of Families USA, an advocacy group for senior citizens.

"It won't control costs or guarantee access to health care. Indeed, it will send costs soaring. It ought to be called the Health Insurance Company Protection Act," said Senate Majority Leader George Mitchell, D-Maine. He and Democratic Sens. Edward Kennedy of Massachusetts, Don Riegle of Michigan, John Rockefeller of West Virginia, House Majority Leader Richard Gephardt of Missouri and New Jersey Gov. Jim Florio, pushed their "play-or-pay" plan as a better alternative.

"The president's health plan is terminally sick," said Rep. Pete Stark, D-Calif., an advocate of Canadian-style national health insurance. "It is a gift of billions of tax money to the insurance companies and the bloated health care system. It fails to get everyone health insurance."

Democratic presidential hopeful Bob Kerrey, who introduced a health care proposal, said Bush's proposal "sends a message instead of an ambulance to Americans who are dialing 911 on health care."

Some guarded praise came from health insurers, the business community and the medical establishment.

"It builds on... our current system and tackles serious problems with common sense," said John Molloy of the National Federation of Independent Business.

That small-business group is opposed to play-or-pay, which would require all employers to provide health benefits or pay the government to do so.

Most of the 38 million uninsured work for small firms.

"If this plan were tightened up, it could be a pretty good start," said Robert Laszewski, head of group insurance for Liberty Mutual Insurance Group. "Bush is chickening out on the real cost control issues by not having any teeth in there."

► No fast action on plans, 1A
► Today's debate, 14A

Managed care has critics, too

By Kevin Anderson
USA TODAY

When Gil Praeger's employer, Ryder Systems Inc., switched to a managed care health insurance system last year, the Baltimore lease administrator got some bad news: His doctor of 10 years wasn't on the list.

Praeger could drop the internist, and switch to a doctor from the managed care network Ryder hired after an agreement for lower fees. Or he could stick with his doctor and become responsible for up to \$8,000 a year in medical bills.

It is on managed care that President Bush's health reform plan counts most heavily to control soaring medical costs. The initial reaction from most quarters: That's a shaky bet.

Managed care networks have been spreading for five years as employers and insurers fight soaring costs. In essence, a managed care network is a group of doctors and hospitals that agrees to treat a group of patients at a reduced rate.

Managed care restricts choice of doctors and hospitals. Most popular: health maintenance organizations.

Ideally, the network cuts waste. But critics say there's a danger a network could be a mechanism for lower quality, discount medicine.

And there's the question of savings. Most companies using the plan see the growth of annual health spending drop from 25% to 15%. Still, costs are growing faster than overall health care inflation.

And Praeger? He sees his doctor first, then a network doctor for tests and treatments. "Luckily, both doctors understand," he says.

Bush's health-care bet: 'Choice'

By Jessica Lee
USA TODAY

Today's debate is on **HEALTH CARE** and whether President Bush's new reform proposal will work.

President's health plan is critically flawed

OUR VIEW Any proposal for reforming health insurance must balance costs against benefits.

Before the first word of President Bush's health plan left his lips Thursday, critics were jumping down his throat. They had good reason.

The president left out the most crucial detail of any health-care reform — how to pay for it. At \$100 billion over five years, the tab is too steep to leave to the imagination.

What the administration offered was 38 pages of suggestions and the promise to "figure that out."

The plan is like puzzle pieces that don't form a picture. Two examples among many:

Idea: Provide tax credits, deductions and vouchers up to \$3,750 a year for the poor and middle class to buy insurance.

Flaw: Individual policies are hard to get and usually cost more than the most generous voucher. The average healthy family would pay \$3,884, a \$500 deductible and 20% of all medical bills up to \$5,000 a year. The cost soars to at least \$9,600 per year for a family of four if one

child has a chronic medical condition.

Idea: Control costs by making the current system more "efficient."

Flaw: Health-care costs are rising at the frightening clip of 13% per year. Much of that comes from the high cost of new technology, miracle drugs and an aging population, not inefficiency. A comprehensive cost-control plan is vital.

One piece of the puzzle that may have real merit is a proposal to block insurers from denying coverage to people with pre-existing medical conditions.

That worthwhile idea should be the starting point for a new administration health-care proposal.

That plan should:

► Guarantee universal coverage by requiring that affordable policies be made available to everyone, sick or well.

► Propose long-term cost controls.

► Preserve as much choice as reasonable cost will allow. Selecting physicians has been a cherished part of the U.S. health-care system.

And, most important, before any health-care plan ventures into public, you have to know how to pay for it.

► Bush plan, 1A

Bush plan will benefit all

OPPOSING VIEW Let's choose government help for the health-care system, not government takeover.

President Bush's health-care reform plan will provide access, security, affordability and choice while avoiding bureaucratic schemes that would lead to a government takeover of health care. Here is what the Bush plan will mean for the USA:

The middle class — families with incomes up to \$80,000 — will get help through a new income-tax deduction.

For poor families, the plan guarantees access to health care through a health-insurance credit.

Self-employed persons would be able to deduct 100% of the cost of health insurance on their tax returns. Current law allows for only 25%.

Security is provided by assuring that no one will lose insurance coverage by changing jobs or getting sick. Insurers

would not be able to exclude persons because of pre-existing illness once they have coverage.

On costs, other proposals would impose artificial government price controls or raise taxes. We look at the problem in a totally different way. It is not that we do not spend enough, it is that we do not spend it efficiently. This plan will introduce efficiency, not bureaucracy.

The cost to all of us for uncompensated care will be greatly reduced. Smaller businesses, and individuals, will be able to pool into larger groups so they can enjoy the more favorable insurance terms available to large businesses. Systems of "coordinated" care will be encouraged so an individual's personal doctor will coordinate care with other medical professionals or facilities, improving quality, reducing costs and returning the concept of the "family doctor."

More fundamentally, the plan preserves choice by the path it does not take — a program of government control like "play or pay" or the radical course of outright nationalized medicine.

The USA has two choices: government help or a government takeover. The president has the better alternative.

All the health-care cards are now on the table, fuel for an election-year debate that's not likely to produce results soon.

President Bush Thursday tossed down his plan, which joins as many as 30 proposals now in Congress. All of them claim to solve a crisis that deeply worries voters.

Bush's proposal: spending up to \$100 billion in five years through tax credits to ensure insurance is available to all.

But he is not prepared yet to send Congress legislation that spells out the details — or how to pay for it.

"My plan puts the emphasis on expanding access while preserving the choice people now have" for coverage, Bush said in a speech in Cleveland.

He said his plan would "put an end to the worry" about health care, especially among the poor and uninsured.

But Democrats weren't convinced. House Speaker Thomas Foley, D-Wash., said the proposal was another of Bush's "fuzzy recommendations."

"We have to deal in hard realities," Foley said.

Key elements of what Bush called a "common-sense" plan:

► Provide a tax credit up to \$3,750 for buying health insurance for those earning less than \$80,000 a year.

► Encourage use of health maintenance organizations and similar services.

► Urge states to limit medical malpractice awards.

► Cut Medicare and Medicaid costs, growing 12% a year.

"The president's plan comes closest to the true American way of doing things than anything else out there," said James Todd of the American Medical Association.

Bush's plan is up against a variety of measures including:

► Forcing companies to insure their employees or pay into a fund for the uninsured.

► Two versions of national health care financed through taxes and an end to the federal insurance programs.

For voters concerned about health care — and the 38 million who are uninsured — a quick deal is unlikely.

Rep. Willis Gradison, R-Ohio, a key Republican on health issues, doesn't expect action this year.

His "best hope" is Bush will be re-elected and then say, "In February I proposed a health-care plan. Now ... I have a mandate to implement it."

► Comparing plans, 4A
► Today's debate, 14A



By Louis W. Sullivan,
Secretary of Health
and Human Services.

Two mavericks — Republican Pat Buchanan and Democrat Jerry Brown — are running in New Hampshire's presidential primary. Last in a series:

Pat

BUCHANAN

Conservative struggles to shake off image of protest candidate and move beyond Bush

By Judy Keen
USA TODAY

MILAN, N.H. — Pat Buchanan was heading out the door of a country store when Richard Testa shoved his coffee cup aside and stood up.

"We've got to put people back to work," Testa said earnestly. "How do you plan on doing that?" Buchanan sat down.

"The first thing you've got to do is get rid of the people out in Washington," replied Buchanan, who has spent most of his political career in Washington.

Testa, a road maintenance worker, wasn't satisfied.

"You vote for me and we'll do the job," Buchanan said, but Testa still was shaking his head when Buchanan headed for his next campaign stop.

That encounter captured Buchanan's appeal and his deficiencies as he challenges President Bush for the GOP presidential nomination.

The conservative whose biting commentary heated up TV talk shows like *Crossfire* and *The Capital Gang* is the ideal depository for New Hampshire's recession-propelled frustration. But he's struggling to evolve from protest candidate to viable GOP alternative.

For weeks, Buchanan has assaulted New Hampshire with a litany of Bush's crimes against conservatism, chief among them his betrayal of his "no new taxes" pledge.

"Vote for me and send a message," Buchanan said, and the plea seemed to work: Voters showed up to hear and cheer, the media started writing about his rebellion, Bush was coerced into assembling his campaign early and skedaddling to New Hampshire.

"There have been more sightings of Elvis up here in New Hampshire than there

THE BUCHANAN FILE

BORN: Nov. 2, 1938, in Washington, D.C., son of an accountant.

EDUCATION: Georgetown University, 1961. Columbia University Graduate School of Journalism, 1962.

CAREER: Editorial writer, *St. Louis Globe-Democrat*, 1962-65; assistant to Richard Nixon at his law firm, then White House aide and speechwriter, 1969-72; columnist, radio and TV commentator, beginning in 1975; director of communications, Reagan White House, 1985-87.

PERSONAL: Married Shelley Ann Scamey in 1971. No children.

ARREST RECORD: In 1959 as a college student, he honked at and then passed a police wagon and, when he was pulled over for speeding, resisted arrest. "After they finally forced me into the wagon, they decided to work me over," he wrote in his autobiography. "I put a size 10½ cordovan where I thought it might do some good — and vaulted him back into the street. . . . It was among the great, dumb deeds of my life."

have been of George Bush," Buchanan likes to say.

Then Bush's State of the Union speech stole the headlines. And voters intrigued by Buchanan's rhetoric started demanding details.

Buchanan knows he's being eyed expectantly for proof he's more than a razor-tongued bulldozer shoving Bush to the right. "Now there's a hunger for answers. I made the case against Mr. Bush . . . but I want people to vote for me," he said.

His protectionist "America First" and Japan-bashing views push this year's hottest political buttons. His trade policy is a vague call for playing "hardball" as the U.S. seeks "free and fair" trade.

Buchanan doesn't have a health care plan. His economic plan calls for capital gains tax cuts, a federal budget freeze, and a \$50,000 to \$100,000 pay cut for Bush. He doesn't explain how he'd freeze spending on Social Security or Medicare.

His blunt opinions — erecting a fence at the U.S.-Mexico border to keep out illegal im-

migrants, jailing beggars — set off uproars.

He's noted that Englishmen would be easier to assimilate than "Zulus," and "cause less problems." He dubbed Bush's new world order "globaloney" and "Skull and Bones International."

He tells audiences, "I have been called an anti-Semite, a homophobe, a racist, a sexist, a nativist, a protectionist, an isolationist, a social fascist and a beer-hall conservative. I am none of the above."

But the issue he concedes might be most damaging, his opposition to the Gulf War, rarely comes up. He's surprised Bush hasn't tried to bash him with it, but said, "I wonder if they will, because . . . then you get the idea that Saddam Hussein is still sitting there."

Part of his allure is his unscripted, wicked candor. After Bush recoiled at being asked to sign a no-taxes pledge, Buchanan said it seemed "like throwing holy water on Dracula." Buchanan admires Sen. Edward Kennedy, D-Mass., because



By Jim Cole, AP

MUST WIN: Republican hopeful Pat Buchanan feels "like a rookie who just caught the kickoff in the end zone. No one else can see it, but I can see a seam through the entire defense all the way."

"how many other 50-year-olds do you know who still go to Florida for spring break?"

His aides — mostly inexperienced but passionate acolytes — know better than to try to program him with talking points or poll-proven policies or complex strategies.

What he says comes off the top of his head or from the convictions in his gut. He sounds like a man trying to figure out what to do now that he has got everybody's attention.

In Laconia, he told 150 Republicans that if he does well here, the state's economic woes will get prompt attention.

The next day in Dixville Notch, Buchanan seemed to settle on the next step in the quest he hopes to continue in Georgia's March 3 primary. "It's not a protest, it's more than that," he said. "We have got to change the Republican Party. . . . If I can get a victory out of New Hampshire, we can light this country up."

Buchanan embarked on his campaign to goad Bush back on the conservative road, but

now he feels "like a rookie who just caught the kickoff in the end zone. No one else can see it, but I can see a seam through the entire defense all the way. It may not happen, but I can see it."

Despite his manicured fingernails and French cuffs, Buchanan is a natural campaigner. He hunts down voters on the street, clasps their hands, locks eyes and asks, "How ya doin'?"

Almost everybody calls him "Pat" and mentions the TV shows that made him a celebrity. Because most people's exposure to their president is via TV and Buchanan is a TV creation, his electoral inexperience may not be that important.

He is staking most of his hopes on New Hampshire. It'll be hard to go on if he fares badly here and donations dry up.

But he says he'll be in the race until the GOP convention, and he says he's already a winner. "We are forcing Mr. Bush to address issues. We are already winning in that sense. . . . Now we want it all."

Jerry

BROWN

A sledgehammer among shadowboxers, he hopes to scare the Washington establishment

By Adam Nagourney
USA TODAY

EXETER, N.H. — Few people in this state may believe that former California governor Jerry Brown has much of a chance of winning the presidential primary here. But Democrats who ignore his candidacy do so at their peril.

While other candidates wage high-profile campaigns closely chronicled by the media, Brown has been stubbornly conducting a quiet guerrilla assault. He might not win Feb. 18, but he's going to make a difference in how the race turns out.

It is not just that Brown has gone beyond being the one-issue candidate who rails against a "corrupt" political system.

These days he's a whirlwind of ideas, talking about health care, tax reform and the environment with incendiary rhetoric that leaves crowds abuzz.

He has become the sledgehammer candidate: While the rest of the field shadowboxes, he takes on his opponents with brutal force, tearing open their every weakness.

Brown urges voters to confront Iowa Sen. Tom Harkin and Nebraska Sen. Bob Kerrey who supported a Senate pay raise: "Make them roll it back!" he declares to cheers, his deep-set eyes glaring.

Brown mocks Harkin's call for a massive road construction program, saying sarcastically: "I like Harkin's idea of pouring more cement so you can have more Japanese cars burning more Arab oil."

In a state with anti-nuclear power sentiment runs high, he assails former Massachusetts senator Paul Tsongas for supporting nuclear energy.

He urges voters to demand of Arkansas Gov. Bill Clinton:

THE BROWN FILE

BORN: April 7, 1938, San Francisco; son of Pat Brown, California governor 1958-68.

EDUCATION: University of Santa Clara, 1955-56; Sacred Heart Novitiate, 1956-58; University of California, 1961; Yale Law School, 1964 (where he was a classmate of Gary Hart).

CAREER: Lawyer, 1966-69; California secretary of state, 1971-75; governor, 1975-83; lost Senate race, 1982; studied in Zen monastery in Japan, worked with Mother Teresa in India, during political "sabbatical," 1983-89; state Democratic chairman, 1989-91. Ran in Democratic presidential primaries in 1976, 1980.

PERSONAL: Never married; used to date singer Linda Ronstadt.

ON 'GOVERNOR MOONBEAM' NICKNAME: When he mentioned it at the U.S. Conference of Mayors forum, there were snickers. "You can laugh," he told the mayors with a shrug. In New Hampshire, he has said: "You've got to be willing to stand up against the tide. And when you do, you become a fake. You become a moonbeam."

"Hey Clinton: Is it true you got \$2.5 million from the banks and insurance companies and the tobacco industry?" in reference to financing of the Democratic Leadership Council when Clinton ran it.

It was hardly a surprise when Brown mentioned the womanizing allegations against Clinton on a TV debate last Sunday. "I raised the issue out of respect for women. It deserved to be brought up," he said later in an interview.

Finally, Brown, who's limited individual contributions to \$100 (rather than the \$1,000 federal limit) and passes a basket at rallies, paints his rivals as part of a political system hopelessly corrupted by special interest money.

"How do you get rid of corruption?" he asked. "You gotta throw the incumbents out."

"Harkin, Clinton and Kerrey — there's not a dime's worth of difference between them. You can take all three, put them in a jar, shake them up, pull them

out, and you wouldn't be able to tell them apart."

Brown has changed since October when, while announcing his candidacy, he grew so agitated that he misstated his age, which is 53.

These days, with his white turtle-neck and denim jacket and a cup of decaffeinated coffee, Brown comes across more like an intriguing, eccentric college professor, not the slightly deranged character who just strolled off the set of the movie *Network*, yelling "I'm mad as hell and I'm not going to take it anymore!"

New York Gov. Mario Cuomo calls him "one of the smartest guys in politics today." Brown's speeches now include a review of his eight years as California governor, while tackling issues other candidates eschew.

In the PBS debate, Brown alone tried to steer the discussion onto the AIDS crisis.

He has become smitten with the idea of a flat tax: Discard-



By Stephen Savoia, AP

IN DERRY, N.H.: Ex-California governor Jerry Brown speaks to students at Pinkerton Academy Wednesday. He says a win here would scare the 'daylights' out of Washington.

ing virtually all of the current tax system, and replacing it with a 13% tax on all income. The only deductions would be for mortgage interest, rent and charitable deductions.

He wants the government to give welfare checks to employers to supplement salaries. He proposes a national tax amnesty, which he says could produce \$60 billion from people who have evaded taxes.

Brown, at times, still sounds like the politician who was nicknamed "Gov. Moonbeam" by columnist Mike Royko, who now regrets that term.

Brown says the United States can build a car that is "totally clean, totally safe" and uses hardly any energy.

With natural gas? "Batteries. Hydrogen. Who knows? We can build it. It's just like putting a man on the moon."

He talks ominously of the perils of ozone depletion: "That's going to lead to skin cancer for some people right in

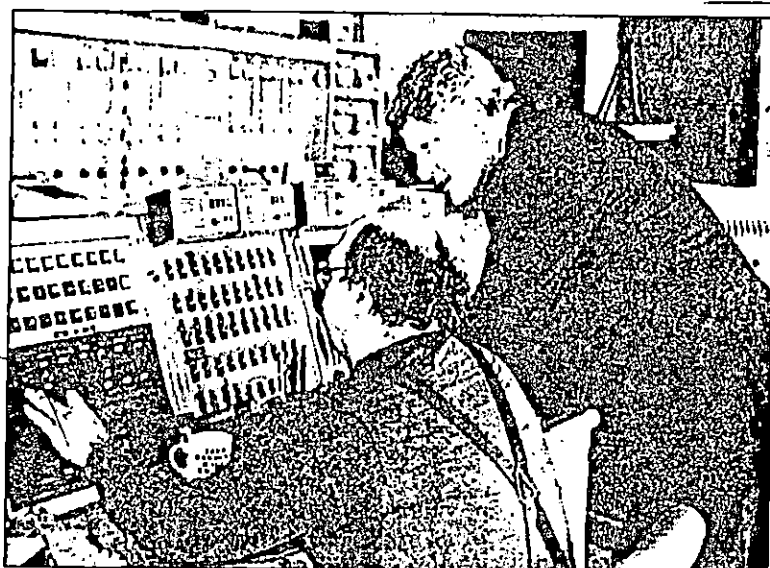
this room," he told students.

He is entranced with the idea of a high-speed "bullet train," and wants a space program, "which I don't talk about because you fellows from USA TODAY will make fun of me."

Brown, who lived in a \$250-a-month apartment, rather than the governor's mansion, was even asked by a student at Exeter if he'd live in the White House. He said yes.

Voters tend to like him, though they have their doubts about whether he can win: "He's not coming from the mainstream but he sounds radical in a positive sense," said Betsy Doolan, a real estate agent from Fremont. "I don't think Brown will win. But I'd vote for who I think was right."

Brown insists he will do well here, even as he laughs at the thought: "Can you imagine Brown winning New Hampshire. The whole place down there in Washington will start crumbling down. It will scare the daylights out of them."



IN THE THICK OF THINGS: Democratic presidential candidate Bill Clinton talks with fire call dispatcher Charlie Gagne while campaigning Thursday in Manchester, N.H. (On campaign trail, 13A)

Clinton draft deferment draws spotlight anew

By Adam Nagourney
and Bill Nichols
USA TODAY

NASHUA, N.H. — Arkansas Gov. Bill Clinton drew new fire Wednesday as rivals questioned whether he acted improperly to avoid being drafted during the Vietnam War.

Nebraska Sen. Bob Kerrey and Iowa Sen. Tom Harkin seized on a *Wall Street Journal* report that Clinton got a draft deferment in 1969 by promising to join a Reserve Officers' Training Corps program, then never joined. At the time, he was a Rhodes scholar at Oxford University in England.

Clinton's rivals in the Democratic presidential race said the charges could hurt him if he wins the nod and faces President Bush. Clinton responded that "the story has been recycled against me by my opponents ever since 1978."

He said he changed his mind about ROTC after four of his friends were killed in Vietnam and he decided he wanted to serve. But his decision came as the nation ended all draft deferments and started a lottery. Clinton drew a high number, 311, and was never called.

Clinton's campaign has already been distracted by alle-

gations — which he denies — of a 12-year affair.

"The last thing Gov. Clinton needs is another story questioning his character and his veracity," said Harkin, a Navy pilot from 1962 to 1967. "I really think it's going to hurt him."

Kerrey, who lost part of a leg and won the Medal of Honor in Vietnam, said, "I hope he's telling the truth, but I've got some doubt." He questioned Clinton's assertion he failed vision and hearing tests for Air Force and Navy officer training exams.

"Maybe it was different in 1969, but in 1966 (when Kerrey enlisted), they were practically taking any warm body that could walk upright and eat with a knife and fork."

It's a crucial time for Clinton. Polls show him positioned to win the New Hampshire primary Feb. 18, which would place him well on the road to winning the nomination.

But some Democrats are concerned that allegations in a supermarket tabloid by a woman claiming she and Clinton had a 12-year affair could hurt him against Bush.

Aides to Kerrey and Harkin could barely contain their glee. They said the spectacle of Clinton again denying allegations would further undermine his

assertion that he's the strongest Democratic candidate.

"I'm amazed that Gov. Clinton's life seems to have intersected with so many pathological liars," said Harkin press spokesman Barry Platt.

Kerrey national campaign manager Tad Devine added, "The Democrats are going to run against a war hero in the general election, whose name is George Bush, and this raises some very serious concerns."

University of Virginia political scientist Larry Sabato said the draft issue might not hurt Clinton among Democrats, but it would "hurt him a great deal" in a general election: "His hard sell is his electability. The more problem he has of this sort, the more he's weighed down with baggage."

The *Journal* quoted Opal Ellis, former executive secretary of the Hot Springs, Ark., draft board, saying Clinton told her he was "too well-educated to go" to war and that he would "pull every string he could think of" to avoid going.

But Ellis, in an interview with USA TODAY, denied saying that. "He did try to talk me out of drafting him," she said, "but they all did that."

► More politics, 13A

Bent rules put Flowers in state job

By Carol J. Castaneda
USA TODAY

The state of Arkansas appears to have bent its policies and changed the qualifications for a \$17,500-a-year state job before giving it to Jennifer Flowers, the woman who says she had a 12-year affair with Gov. Bill Clinton.

Between 1986 and 1991, Flowers wrote and called Clinton numerous times asking for help finding work, and she claims Clinton "pulled strings" to get her the job last year.

The governor's office says her requests received the kind of routine assistance given to about 1,000 people a year who ask for help finding work. Clinton denies the affair.

There was no favoritism nor any attempt to "design a job" for Flowers, says Mike Gauldin, the governor's spokesman. State records show:

► The state restructured the job when it became vacant, saying the position — to supervise secretaries in a state unemployment agency — needed "public relations" skills.

Flowers, a part-time cabaret singer, claimed more experience in that area than other applicants, including one who already worked at the agency.

When the job was given to Flowers, the other applicant, Charlette Perry, filed a grievance that she was unfairly passed over — and a grievance committee agreed.

"The 'public relations' aspect of the job was excessive," the committee said.

Added Dudley Meadows, the committee's chairman: "The change in job specifications served to unjustly exclude Charlette Perry."

The committee's decision was overruled by Clinton appointee Don Barnes, chairman of the Board of Review and the man who hired Flowers.

"We did not create this job for her," says Barnes. "She was the best-qualified." He says Perry didn't get the job primarily because she had once been suspended for a fight.

"A lot of times jobs become reclassified when they become



Arkansas Democrat-Gazette via AP
FLOWERS: Lost job when she stopped coming to work

vacant," Gauldin says, including 2,500 reclassified last year.

► The state bent its policy to "hire from within" by advertising the job to outside applicants at the same time state workers learned of the vacancy.

The grievance committee, siding with Perry, called the outside ad "improper" because it was not a job that needed "advanced specialty degrees or professional training."

It was "the first time I've seen it announced (outside) in a couple of years," says Donna Lipsmeyer, manager of the Arkansas Merit System.

Barnes said the reason he advertised the job outside the state workforce was to get the best applicants. Also, he says, "I'm not bound by that policy."

► Flowers did not have extensive computer experience — one of Barnes' requirements for the job.

That lack of expertise was one reason Flowers lost out on an earlier state job, says Cathy Buford, who interviewed Flowers for the job.

Still, even though Flowers scored ninth out of 11 candidates on a state merit test, Barnes cited her computer and public relations experience as factors in giving her the job.

"She had shown in her resume and in her work experience good familiarity with a number of computer systems," Barnes said of Flowers.

Flowers lost her job Jan. 29 for not reporting to work.

Poll: Clinton, Bush far ahead in N.H.

But analysts will wait and see, 13A

By Richard Benedetto
USA TODAY

President Bush and Arkansas Gov. Bill Clinton have big leads in New Hampshire, where the first presidential primary is on Feb. 18.

A USA TODAY/CNN/Gallup tracking poll, the first in a series of nightly polls leading up to the voting, finds Bush ahead of conservative commentator Pat Buchanan, 62%-30%, in the Republican race.

Clinton is ahead of his closest rival, former Massachusetts senator Paul Tsongas, 37%-24%, in the Democratic contest.

Nebraska Sen. Bob Kerrey has 12%; followed by Iowa Sen. Tom Harkin, 8%; and ex-California governor Jerry Brown, 8%. Eleven percent are undecided.

Victory in New Hampshire's primary is considered crucial because no president since 1952 — its first year — has been elected without first winning there. Other findings:

► 74% of Buchanan voters back him as a protest against Bush.

► 19% of the Democrats want Mario Cuomo to run.



By Pat Sullivan, AP

ON THE TRAIL: Democratic presidential candidate Bill Clinton answers reporters' questions as he finishes a campaign appearance Thursday at a Manchester, N.H., fire station.

COVER STORY

Gov. Clinton: Respected, reproached

- Vietnam deferment attacked, 2A;
- Profiles: Buchanan, Brown, 13A

By Bill Nichols
USA TODAY

LITTLE ROCK, Ark. — As scrutiny of Gov. Bill Clinton's sex life seems on hold — for now — his Democratic rivals are looking South for ways to derail his presidential bid.

What they find, in Clinton's 11 years as governor, is both a respected chief executive voted by his peers as the nation's

most effective governor last year, and a man chided as a deal-making "Slick Willie" by critics.

Arkansas' political boy wonder is acknowledged as having moved this rural, poor state ahead in many ways. But many say this perceived Democratic frontrunner's innate political caution kept him from realizing his potential.

"We're known for being on the bottom and we've earned it," says Bill Becker, state AFL-CIO president. "But he hasn't

Please see COVER STORY next page ►

done a helluva lot to change that."

Clinton says he welcomes scrutiny. But just as he leads the USA TODAY/CNN/Gallup poll of New Hampshire voters out today, his rivals will be turning up the heat as the Feb. 18 primary nears.

Thursday's *Wall Street Journal* revived questions about Clinton's draft deferment during the Vietnam War. And Clinton's opponents — particularly Iowa Sen. Tom Harkin — are trotting out a litany of Arkansas' bottom-rung statistical rankings:

► According to 1990 ratings by the Southern Regional Council, an Atlanta-based research group, Arkansas placed 49th in average weekly wage and per capita income.

► A study by the National Safe Workplace Institute in Chicago ranks Arkansas last nationally in worker safety, Clinton says the report was "politically motivated."

► Arkansas still ranks 48th in per-pupil expenditures and 49th in average teacher salaries, despite Clinton's reforms.

► Arkansas Common Cause — in the latest flap — says Clinton, who's criticized last year's Senate pay raise, has supported raising his own pay from \$35,000 to \$60,000.

Clinton says he supported putting the measure on the state ballot so voters could decide. Critics say that's vintage Clinton — playing both sides, trying to please everyone.

"When liars start figuring, figures start lying," says state Republican chairman Sheffield Nelson of Clinton's defense of his record. "Bill does not necessarily tell the truth anyhow. But when it comes to his record, he does tend to blow and go pretty good."

More objective observers credit Clinton with advances in education and job creation. They say any critique must acknowledge Arkansas' historic poverty as well its dislike for activist governors.

Rankings for Arkansas, "are irrelevant" as a measure of a Clinton's skills, says Hastings Wyman, editor of the *Southern Political Report*. "Any ranking that has to do with money is going to show most Southern states near the bottom."

But there's also broad agreement that Clinton's record, particularly with an overwhelmingly Democratic state Legislature, is mixed on more politically unprofitable subjects — taxes, the environment and support for labor.

After losing his first re-election bid, in 1980, Clinton "saw that he had fires burning everywhere... and he really wasn't successful in any of them," says Ernie Dumas, former columnist at the now-defunct *Arkansas Gazette*. "So, he was going to do one thing at a time and... not make all these enemies."

A Clinton review:

► Education: Clinton angered teachers with his push for teacher competency tests in 1983. But his state-of-the-art reforms — smaller classes, elementary school counselors, stricter graduation requirements — have drawn praise.

In the Clinton era, the number of Arkansas high school graduates going to college grew from 38% to 48%. All high schools offer chemistry and physics courses — up from about 50% in 1983.

► Taxes: Critics charge Clinton has raised taxes 27 times, mostly in sales-tax hikes.

But Arkansas still carries the 42nd lowest tax burden in the nation. And the sales tax, by law, is virtually the only tax the governor can raise without 75% of the Legislature agreeing.

► Environment: State environmentalists say that, after a promising start, Clinton often sees their concerns as a waste of political capital.

Last year he did dilute industry control of the state's pollution control board. But activists say the state still suffers from massive toxic waste and water pollution, and they say Clinton backed down on slowing clear-cutting by the timber industry.

"The things that he has done that we agree with he has done for immediate political gain," says Chuck Cremeen, director of the Arkansas Sierra Club.

► Labor: Many state unions support Clinton's candidacy, but he has angered some labor activists with his support of the state's right-to-work law, prohibiting union shops.

His most recent clash with labor came at Morrilton Plastics, an auto parts firm in Conway County. With an United Auto Workers strike looming, the plant secured a \$290,000 loan from the state Industrial Development Commission to build up inventory.

AFL-CIO's Becker claims Clinton sided with management, and tried to break the union. Clinton says he wanted to keep the plant open, saving jobs. The strike continues.

► Capital punishment: Clinton supports it, having allowed three executions.

But he had great difficulty coming to that decision, as he did in his support of a woman's right to abortion, prompting charges of waffling.

That's the charge you hear most, that after his humiliating 1980 defeat, he learned Southern realpolitik — the delicate art of getting along and getting elected.

Supporters call that maturity, learning to get things done. Opponents say Clinton bends with the wind. In the middle there is much state pride for Clinton mixed with disappointment.

Dumas, on balance a Clinton fan, admits Clinton's tendency to tip-toe. But he says critics must have the Arkansas context in mind.

"From our perspective he was a good governor. We haven't had much record of having good governors in this state, so the threshold was pretty low... But he tried."

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FRIDAY, FEBRUARY 7, 1992

Bush Unveils Health Plan Based on Tax Breaks That Critics Fault as Too Modest and Inflationary

By WALT BOGDANICH
AND HILARY STOLT

Staff Reporters of THE WALL STREET JOURNAL

"For growing numbers of Americans, the cost of care is becoming prohibitive. And even those who can afford most care may find themselves impoverished by a catastrophic medical expenditure."

Those words weren't uttered by George Bush yesterday, when he unveiled his health care plan. They were spoken by Richard Nixon 21 years ago this month. Since then, Mr. Nixon's words have become an eerie echo, bouncing unabated from one presidential administration to another. And the problem has simply grown worse.

Now, it is President Bush's turn to try to tame the health care monster. Yesterday, before an audience of Cleveland civic leaders, he formally released the details of his \$100 billion health plan. In doing so, he repeated many of the same themes articulated by Mr. Nixon—the need to broaden access to medical care, to make its delivery more efficient, and to build upon the current system, rather than replace it wholesale. Mr. Bush even embraced what was under Mr. Nixon a novel approach to controlling health care costs: prepaid medical plans such as health maintenance organizations, or HMOs.

In addition, the president put his own new spin on health care reform. Borrowing from the free-market plans of conservative academics, his proposal includes tax vouchers and deductions to help millions of uninsured or underinsured Americans buy private medical coverage.

The early reaction among many Bush foes and allies suggests the president's plan stopped short of the radical reform necessary to make the nation's ailing health care system work. And as a result, it may stymie comprehensive health care legislation rather than advance it.

"We finally have the political capital building to reform the system," says Robert Laszewski, executive vice president of Liberty Mutual Insurance Group. But by taking a piecemeal approach, the administration risks "expending the political capital for change" and still leaving "a system that is out of control."

Mr. Bush's plan largely sidestepped two critical issues. First, how to fund the expensive tax breaks. Mr. Bush dumped the biggest part of that job in the lap of Congress. And second, how to control health care costs, which pose a significant financial burden for U.S. corporations and is the root cause why so many Americans end up without insurance.

By giving millions of Americans the means to buy more medical care—without a comprehensive cost-containment strategy—health policy experts say Mr. Bush's plan threatens to make health care costs climb even faster. Health care costs are expected this year to consume 14% of the nation's output, exactly double what it was under President Nixon two decades ago.

The Bush plan "is the most inflationary suggestion I have heard in memory," said Bruce C. Vladeck, president of the United Hospital Fund, a philanthropic group that supports New York hospitals. "And what do you get for it? An enormous increase in public expenditures and all you really do is enrich the insurance companies."

"Not even all the insurers are pleased. 'Each of the points the president has suggested are good ones, and they are going to work,' says Mr. Laszewski of Liberty Mutual. But 'we have to recognize that cost is the issue, and from what I've seen from the president's list so far, I'd give him an incomplete.'"

Political Missteps

A big part of Mr. Bush's problem, according to many of his own supporters, is that when his big moment finally arrived, the president couldn't pull the trigger. The final preparations of his health plan were marked by political missteps, alienating key congressional supporters. Suddenly, with his election-year plan in danger of sinking, Bush aides frantically began throwing key proposals overboard.

Angry over being excluded from the decision-making process, Rep. Willis Gradison, the ranking Republican on a key House health subcommittee, confronted Bush aides in a stormy, closed-door meeting. The White House responded by dropping a measure that would have taxed employer-paid health benefits of wealthier workers—a provision intended to bring price-sensitivity and competition to the health care market. Bush aides also jettisoned a proposal to cut more than \$40 billion in future growth from the Medicare program, replacing it with a 38-page suggestion box of where Congress might find money to pay for the new tax breaks.

The resulting Bush plan lacks the imagination of the innovative market reforms like those proposed by the Heritage Foundation, and also ignores the down-to-earth government budget controls proposed by Democrats.

"I liken it to a train that was supposed to go down one track, and somebody pulled a switch, and now its going down another, where no one knows what awaits it," says Uwe E. Reinhardt, a Princeton professor of health economics.

Robert Helms, director of health policy studies at the American Enterprise Institute, notes that the cost controls in the plan are almost entirely directed at public programs providing health insurance to the poor. "You have to give people an incentive to produce private cost containment in addition to public cost containment," he says. Removing the tax deductibility of health care coverage would have done that, Mr. Helms says.

Darman's Defense of Plan

White House Budget Director Richard Darman argues that Mr. Bush's health plan, even in its current form, "is still more detailed than 29 of the 31 plans that are out there." If fully adopted, Mr. Darman says, "every poor person in America" will be able to get some health insurance coverage. He called the tax-credit provision "a fairly radical pro-poor reform."

Moreover, administration officials privately suggest that yesterday's proposal may only be the first step. The White House will be willing to offer more comprehensive proposals after the election.

But many health experts are still unimpressed. They dispute Mr. Darman's claim, for instance, that every poor person in America would be covered by this plan. And it won't "really solve the problem of the uninsured non-poor," says Mark Pauly,

executive director of the Leonard Davis Institute of Health Economics at the University of Pennsylvania.

State officials are particularly angry at the president's suggestion that the tax credits could be funded in part by capping federal Medicaid payments. "In a state like Vermont, we will simply be able to cover less people," says Gov. Howard Dean, a Democrat and a physician. Medicaid funds for long-term care, in particular, may be cut back, experts fear. The White House counters that low-income people will now be able to buy private health insurance so the caps won't matter.

The plan also contains incentives to promote the use of HMOs and other fixed-price health plans, where patients are directed to pre-selected health care providers. While some HMOs have been successful at providing quality care at lower costs, government investigators have repeatedly found that poor and elderly people have suffered at the hands of unscrupulous HMO providers. "HMO oversight has been abysmal," says Dennis O'Leary, a physician who heads the Joint Commission for Accreditation of Health Care Organizations. His group doesn't accredit HMOs.

Bush's Tone in Cleveland

Mr. Bush's 24-minute speech, to the Greater Cleveland Growth Association, drew tepid and sporadic applause from his business audience. He sought to walk a delicate line between advocates of reform and the status quo, describing the U.S. health care system both as in "crisis" and "the best in the world." Plainly on the political defensive after delaying health reforms until the fourth year of his term, he spent as much time criticizing rival Democratic proposals as outlining his own.

Under Mr. Bush's plan, certain poor Americans would be entitled to a tax credit or deduction of as much as \$1,250 for individuals, \$2,500 for married couples and \$3,750 for families of three or more, to be used for purchasing health coverage. When fully implemented in the next five years, the credits would be available to Americans with incomes below the threshold for filing income taxes, which is now just over \$15,000 for a family of four. Lesser credits would be available to those with incomes below 150% of the filing threshold. The credits would be indexed for inflation.

States would be required to develop a benefit package equal to the value of the credits.

Middle-income Americans—earning up to \$50,000 for individuals, \$65,000 for married couples and \$80,000 for families—could receive either a pared-down tax credit or a tax deduction. But the deduction would be reduced by the value of any health benefits already provided by the employers.

The proposed plan is estimated to cost \$100 billion over a five-year phase-in period and \$35 billion a year thereafter.

President Bush's plan also contains the following elements:

- It would require health insurance companies to provide guaranteed renewable coverage to all employers requesting it, even if their employees have expensive medical conditions.

- It would allow small businesses to pool together, even across state lines, to buy health insurance at lower prices. These "health insurance networks" would be exempt from state insurance mandates.

- It would reform malpractice laws to cap the amount of damages plaintiffs could receive.

Even before the president delivered his noon speech announcing the plan, the House Select Committee on Aging held a hearing to attack it. Among the witnesses were House Majority Leader Richard Gephardt (D., Mo.) and Sen. Harris Wofford

(D., Pa.).

Some Democrats, however, welcomed the proposals, regardless of their content. "When the president is out of the debate, it's hard to carry on a debate," said Rep.

Sander Levin (D., Mich.), a member of a House health subcommittee. "At least, he's now in the arena of debate."

—John Harwood contributed to this article.

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FRIDAY, FEBRUARY 7, 1992

Bush Small-Business Pension Plan Gets Mixed Reviews

Alternative to Current Programs Is Still Too Costly for Some Concerns

By JEFFREY A. TANNENBAUM

Staff Reporter of THE WALL STREET JOURNAL

A Bush administration proposal aimed at prompting hundreds of thousands of small companies to start employee-retirement plans is getting a mixed response.

If the proposal is enacted, millions of workers might gain at least minimal retirement benefits. Some specialists think this at last is a pension proposal that small-business owners will like. But others think owners will reject it as too expensive.

"There's a good possibility that this proposal, unlike past attempts, will actually generate some employer interest," says John F. Woyke, a principal in Towers Perrin, a Valhalla, N.Y., consulting firm specializing in employee benefits and compensation. The proposed plan "is the type of program that an insurance company or bank could market successfully," he adds.

Not so, says Denise Georgemiller, a consultant with Hewitt Associates, Lincolnshire, Ill. "This proposal won't be attractive to many small employers," she says. "They're going to perceive it as too expensive." Gerald L. Uslander, a principal in the Washington, D.C., office of consultant William M. Mercer Inc., predicts: "Small business is going to say it wouldn't use such a plan."

Sweetening Total Benefits

Under the proposed Small Business Model Retirement Plan, many more companies—those with fewer than 100 workers, rather than 25 as at present—could make salary-reduction arrangements with employees to fund simple retirement plans. Unlike the current plan it would replace, the new plan would require employers to match employee contributions, thus sweetening total benefits.

No employer would be forced to provide such a retirement plan, or any at all. But employers with such plans would contribute an annual amount equal to at least 1% of each employee's pay. Employees—virtu-

ally all workers would be included in the plans—could put a maximum of \$3,000 each (or 25% of pay, whichever is less) in their retirement accounts each year. Employers would match employee contributions, dollar-for-dollar up to the first 3% of salary and at half that rate for the next 2%.

The Bush proposal, which was buried in a Treasury Department report last week summarizing his new budget package, is still unfamiliar even to some specialists in small-company retirement plans, much less to many business owners. Yet it is likely to get consideration by many companies that don't like the current pension rules.

For instance, Martin G. Imbach Inc., a Baltimore marine-construction company, usually employs more than 50, but says it has no retirement plan. "The reasons are cost, complexity and compliance," says Eamonn McGeady, president.

Costly but Sensible

Now, however, "It sounds like the Bush people tried to come up with something that makes more sense for small companies," Mr. McGeady says. If Congress authorizes the new type of pension plan, "It's certainly something we would look at," he adds.

But others already think the plan would be too costly, at least for them. George A. Burnell, president of Icon Corp., a Woburn, Mass., machinery maker that usually employs between 25 and 40 workers, says he would have "no interest" in a plan requiring company contributions even in a bad year for the business. Icon has no retirement plan, although it was weighing options for creating one when the recession hit; it then tabled the matter.

In lacking retirement benefits, Icon's workers are hardly alone. By one federal estimate, only 23% of employees in companies with fewer than 100 workers currently have pension coverage, compared with 66% at larger companies. Small-business employers widely complain about costs

and red tape, which the Bush plan aims to alleviate.

Under current law, the simplest retirement plans that small-business employers may establish are called Simplified Employee Pension plans, or SEPs. These may involve company contributions to employee Individual Retirement Accounts. But companies with fewer than 25 employees may fund the plans through salary-reduction plans, in which employees trade away a portion of current salary for tax-deferred retirement money. SEPs aren't very popular, in part because employers must meet strict anti-discrimination rules aimed at preventing highly paid

Small-business employers widely complain about costs and red tape, which the Bush plan aims to alleviate.

workers (including owners) from tax-sheltering too much money in comparison with lower-paid workers.

Several plans to spur small-company pensions, generally called pension-simplification plans, hit Capitol Hill last year. One was an earlier administration plan called Power (for Pension Opportunities for Workers' Expanded Retirement). Under the pension-simplification plans, employers who met certain minimum-funding rules would automatically be deemed to have non-discriminatory retirement programs.

But last year's pension proposals encountered resistance over cost. "Employers don't want to get rid of the nondiscrimination rules if it's going to be too expensive," says Mr. Uslander, the Mercer consultant.

Specialists disagree over whether the latest plan would be less costly to small companies that adopted it, than the Power plan would be. Towers Perrin notes that a

key provision—the 1% minimum company contribution for all eligible workers, regardless of whether they contributed themselves—compares with 2% in the Power plan. The new figure "is probably low enough that it won't be an impediment" to pension-plan starts, Towers Perrin's Mr. Woyke says. But others say even 1% is too costly—not to mention the matching provisions.

Seeking Selling Points

For now, small-business lobbyists are reacting cautiously to the plan. "Ideally, we'd like a plan that's very easy to administer, but also very inexpensive insofar as it pays benefits," says D.J. Gribbin, a lobbyist for the National Federation of Independent Business, the largest small-business group. But the group has taken no position on the Bush proposal yet, he adds.

Many small employers are in no hurry. Small-business lobbyists and consultants say the No. 1 compensation issue at small companies is health coverage, not pensions. Moreover, the pension issue for many small-business owners is getting bigger pensions for themselves and for favorite workers, rather than for all workers, concedes Mr. Gribbin of the National Federation of Independent Business.

Even if the small-business community were wild about the Bush proposal, Congress might not be. Ms. Georgemiller, the Hewitt consultant, says the proposal is among a group of compensation and benefits proposals that together would drain some \$100 million in tax revenue this year if enacted. The retirement proposal's deferred tax provision, of course, would postpone tax revenue. "The thing that could kill something like this is that it's a revenue loser," she says.

On the other hand, Ms. Georgemiller notes that in this election year, many politicians might wish to be associated with pension moves on behalf of small-company workers who lack benefits now. She says of the Bush plan, "It's a nice populist kind of benefit."

Clinton Dismisses Questions About His Draft Record

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—Arkansas Gov. Bill Clinton dismissed questions about his draft record as "recycled Republican charges." But one of his Democratic rivals for president, Sen. Bob Kerrey, signaled that he would use the issue against Mr. Clinton.

Mr. Clinton said that an account of his draft record, published in The Wall Street Journal yesterday, was similar to allegations raised in his 1978 campaign for governor, when a Republican partisan accused him of being a draft-dodger. "They were false then and they are false now," he said in a statement.

The Journal's story yesterday provided new information showing that during a critical two-month period in 1969, Mr. Clinton had a draft deferment that was reserved for people who had joined an ROTC program—even though he never actually joined such a program. The story also quoted retired Col. Eugene Holmes, the ROTC recruiter, as saying that Mr. Clinton "was able to manipulate things so that he didn't have to go in."

Yesterday, Mr. Clinton said that he didn't purposefully manipulate the system to avoid the draft and that he eventually backed out of the deferment and subjected himself to the draft—a fact included in the Journal's story.

In New Hampshire, Sen. Kerrey of Nebraska, who won the congressional medal of honor in Vietnam, said: "If you ask me whether the jury is still out as to whether Gov. Clinton has misrepresented his actions, I would say that the answer is 'yes.'" Kerrey aides said he plans to make similar allusions and also campaign in New Hampshire with fellow Vietnam veterans who served with him in the elite Navy SEALs.

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FRIDAY, FEBRUARY 7, 1992

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

TSONGAS'S RISE in New Hampshire creates a dilemma for Democrats.

The question is where does he go next? If Tsongas wins or comes close, he moves on to Maine and Maryland, but party leaders fear his candidacy would be a disaster outside of New England, especially in the South. Meantime, Clinton could be badly damaged. "It's a nightmare," says former party Chairman John White.

Clinton is the only Democrat raising enough money to keep up momentum after New Hampshire. His \$821,000 in federal matching funds for January exceeded all his rivals combined. He has fund-raisers slated in New York, Boston and Los Angeles. Anyone who finishes below second in New Hampshire will have money trouble. Chances could grow for a late entry, such as Gephardt or Cuomo.

What must worry Republicans "is that the Democrats might actually have a real exciting convention, and no one knows what that might produce," says GOP theorist Kevin Phillips.

BUSH AIMS to seal a deal with Russia on deeper nuclear arms cuts.

Baker plans talks next week in Moscow to close gaps between the Yeltsin and Bush plans. Bush's proposals would leave about 4,700 strategic warheads in the U.S. arsenal and about 4,500 in Russia's, while Yeltsin's would cut both sides to 2,500.

The administration hopes to have agreements in hand when Yeltsin pays a state visit in late spring or early summer. One uncertainty has been whether the Russian leader can negotiate for all former Soviet republics. U.S. officials now think he can succeed by July in pulling all tactical nuclear weapons out of other republics and consolidating them on Russian soil.

BATTLES ERUPT within the White House, Congress over economic strategies.

Some top Bush political advisers argue he would gain more from a clash with Congress than a compromise. They accuse budget chief Darman and Treasury secretary Brady of being too conciliatory. Though Bush cuts some Congress-bashing lines from speeches, he fingers lawmakers for inaction on the economy.

Congressional Democrats move fast on the Bush plan while sniping at it. "The Democrats are playing this pretty smart," a White House official concedes. House leaders are inclined toward compromise. But Senate Leader Mitchell itches to send Bush a bill he'll veto because of tax increases on the rich, reviving the "fairness" issue.

The time for compromise will end soon. "When partisanship takes hold, the opportunity for actually getting things done decreases," Darman warns.

CALLING CUOMO: An unauthorized write-in campaign for the New York governor takes off in New Hampshire where backers hope to win 15% of the vote to qualify Cuomo for delegates. "If he gets more than 10% of the vote," says pollster Lee Miringoff, "he starts passing people who are on the ballot."

JAPAN BASHING by some Democrats didn't keep the fund-raising arm of congressional Democrats from taking a \$10,000 donation from Toyota Motor Sales USA. Meantime, the lobbying firm of Bush campaign strategist Charles Black signs the U.S. unit of Japanese electronic giant NEC. Black says he won't work for the new client.

MONEY MEN: Bush advisers defend a campaign finance committee that includes Wall Street takeover king Henry Kravis and Florida sugar grower Jose Fanjul, whose reliance on import quotas runs against Bush's free-trade views. "What are you going to do—get schoolteachers to be your fund-raising people?" asks a top campaign official.

DIPLOMATIC SHAKE-UP: A big reshuffling of U.S. ambassadors is in the works as many end their scheduled three-year tours. One change being discussed: Assistant Secretary of State Richard Solomon could become ambassador to the Philippines, replacing Frank Wisner who would get a senior State Department job.

GROWING DOMINANCE of three U.S. airlines raises calls for re-regulation.

GOP Arizona Sen. McCain calls the hold of American, United and Delta on airline markets "a deregulated monopoly." Minnesota Rep. Oberstar, a Democrat, pushes a bill to tighten rules for airline reservation systems and give smaller airlines more access to major airports. Germany and France want to protect home carriers against increased competition from the U.S. airlines.

But the Bush administration and the airline industry dismiss monopoly concerns. The Transportation Department's Patrick Murphy notes that lower interest rates and fuel prices have lifted prospects for the less healthy airlines. The Air Transport Association cites a study showing air fares, adjusted for inflation, have fallen 20% since 1978.

Even Sen. McCain concedes it may be too late to boost competition: "So many airlines have disappeared, it makes it more and more difficult."

MINOR MEMOS: Hoping to reach its kind of voters in New Hampshire, the Libertarian Party's presidential candidate runs TV ads during re-runs of "Star Trek." ... In a pre-Broadway revival of "Man of La Mancha," Don Quixote stirs spontaneous applause from a Washington audience with the line, "Facts are the enemy of truth." ... The Governors Center at Duke University ranks state governments by revenues as part of the Fortune 500; No. 321 Vermont comes in right behind Fruit of the Loom.

—Compiled by RONALD G. SHAFER

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FRIDAY, FEBRUARY 7, 1992

Nominee for Commerce Secretary Vows To Be 'Forceful Advocate' for Business

By EDUARDO LACHICA

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Barbara Franklin, President Bush's nominee for secretary of commerce, vowed that she would be a "forceful advocate for American business" within the administration and work hard to open foreign markets for U.S. products.

The 51-year-old businesswoman appeared to be a cinch for Senate confirmation yesterday as she heard bipartisan encouragement from almost all members of the Senate Commerce Committee and individual endorsements from senators from Connecticut, Pennsylvania and New Jersey. Ms. Franklin is a native of Lancaster, Pa., and has served on the boards of companies based in those three states.

A committee staff member said the panel probably would vote to recommend her confirmation soon after Congress returns from its Presidents' Day recess Feb. 17. Ms. Franklin would succeed Robert Mosbacher, who left the post Jan. 15 to become general chairman of President Bush's re-election campaign.

The panel was heartened by Ms. Franklin's pledge to be a champion for business. In the past, the Commerce Department had been outvoted by the State Department, the Pentagon and other federal agencies on various trade issues, resulting in policies unfavorable to certain U.S. industries. Ms. Franklin asserted that "balance must be part of the debate in weighing national security interests against commercial considerations."

Ms. Franklin also acknowledged that the U.S. is engaged in fierce economic competition with global rivals for markets and jobs—a perspective that Mr. Bush himself has only belatedly recognized as a top foreign-policy issue. "Battles today are not between armies but between the economic interests of various nations," she said.

Some Democrats on the Senate panel, including Chairman Ernest Hollings of South Carolina, asked her to spell out a program for making U.S. companies more competitive. They lectured her at length on the department's alleged failings in enforcing laws against dumping, or the sale of imported goods at prices below their home-market prices or production costs. Ms. Franklin agreed with their concerns but didn't offer specific remedies except to say that she would "vigorously" enforce the statutes.

The nominee also said that she would consider easing antitrust restraints to allow the Big Three domestic automakers to pool their resources for refining the use of methanol and other alternative motor fuels. She cautioned, however, against the use of "Japan-bashing" as a trade strategy. "There are other ways," she asserted.

Documents submitted to the committee indicated that Ms. Franklin's prospective public service would cost her and her husband, businessman Wallace Barnes, a bundle of personal benefits. The couple has already indicated that if she is confirmed for the post, they would sell their holdings in 30 different companies. Ms. Franklin, moreover, would resign from the boards of Aetna Life & Casualty Co., Armstrong World Industries Inc., Automatic Data Processing Inc., Black & Decker Corp., Dow Chemical Co., Nordstrom Inc. and Westinghouse Electric Corp.

To avoid possible conflicts of interest.

Ms. Franklin would have to recuse herself from decisions relating to the auto parts and aerospace components industries. Auto parts are a major part of the business of Barnes Group, the Bristol, Conn., company of which her husband is chairman. Mr. Barnes has stock holdings and is a board member of Rohr Industries Inc., a Chula Vista, Calif., manufacturer of aircraft and jet-engine parts.

Ms. Franklin also would sell her holdings in Aetna, although her husband would remain a member of Aetna's board and retain his stock in the insurance company. Mr. Barnes also would retain his stock and his title in the Barnes Group, which has been in the Barnes family for more than a century.

In addition, the nominee would recuse herself from taking part in any policy-making decisions involving the domestic insurance business, although she could deal with policies relating to the opening of foreign markets for U.S. insurers.

Bush Administration Expands Plans To Pursue Ouster of Saddam Hussein

By DAVID ROGERS
And GERALD F. SEIB

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—The Bush administration is accelerating its drive to push Saddam Hussein out of Iraq.

In recent weeks the administration has secretly sent Congress a new notification that it will use contingency funds available to the Central Intelligence Agency to pursue covert activities aimed at ousting the Iraqi president. The program would in-

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In New Hampshire Protectionists Slip on the Ice

The most unrequited romance of the 1992 presidential campaign has nothing to do with Jennifer Flowers. It involves Bob Kerrey, Robert Shrum and what turns out once again to be the illusory politics of protectionism.

Mr. Shrum is the gifted Democratic spin-artist famous for creating Dick Gephardt's Korea-bashing Hyundai ad in 1988. Nebraska Sen. Kerrey is the Camus-quoting candidate who needs a theme beyond his record as a war hero. So he hired Mr. Shrum, who promptly produced a 30-second TV spot now known in the political trade as "Hyundai II."

Mr. Kerrey strides onto a hockey rink to stand beside a goal. "What's happening in the world economy is like a hockey game where others guard their goal and keep our products out, while we leave our net open," says our leading existentialist politician. "I'll tell Japan if we can't sell in their market, they can't sell in ours. And if

Potomac Watch

By Paul A. Gigot

they don't get the message, they'll find out this president is ready to play a little defense too."

The spot ran for about a week-and-a-half. Mr. Kerrey proceeded to fall in the polls to the Jerry Brown country of single digits.

Last week, Mr. Kerrey admitted his blunder. "The reason I say the hockey spot is a mistake is I believe in examining the truth," he told Newsweek's Howard Fine-man. "And the truth is, the hockey spot drove my numbers down and not up." Translating from the existential, that means "It isn't popular."

Only a few weeks ago, trade was heralded as the "major, decisive" issue of 1992, as the protectionist Clyde Prestowitz gleefully put it. But in the hard, skeptical ground of New Hampshire, foreigner-bashing is showing all of the appeal of a Dodge Omni; voters aren't buying.

It's a replay of one of the oldest stories in politics, the siren song of protectionism. Sound-bite superstar Kevin Phillips, every Democrat's favorite Republican, has been predicting the triumph of "economic nationalism" and trade politics since at least 1985. His record of error is preserved.

In New Hampshire this year, the anti-protectionist message is the one that seems to be working. Not long after Mr. Kerrey whiffed on his slapshot, former Massachusetts Sen. Paul Tsongas brought out his own 30-second TV spot.

It opens with the scene of an empty factory floor. "All the Japan bashing in the world won't open this factory," says the voice-over. "Every Democrat promises to get tough on trade, but let's not kid ourselves. America must take control of its own fate."

Cut to Japanese cars over a red rising sun. "Others just blame the Japanese," says the announcer. "Paul Tsongas will beat them—the American way—by making quality come first again." Mr. Tsongas, who's wittier than his reputation, also zapped Mr. Kerrey in a Jan. 19 debate: "Any Bobby Orr fan can tell you," he said about the legendary Boston defenseman, "you don't win a hockey game unless you score. . . . We have to have an offense."

Mr. Tsongas has climbed in the polls to the middle-20s, a solid second behind Hillary Clinton's husband. Mr. Tsongas may be, as Richard Nixon says, "too responsible" to win the Democratic nomination, but give him credit for making the case for open markets without apology to a tough audience; it shows conviction.

Naturally, the trade warriors are blaming their flop on something other than their message. Mr. Shrum, who is nothing if not resourceful, told the Boston Globe the hockey spot didn't run often enough. This is the same excuse Mr. Gephardt (and Mr. Phillips) used to explain his bust in 1988's Super Tuesday primaries. Strange how protectionists always seem to be running out of money at key moments.

More revealing is how Mr. Kerrey has changed his message. His TV response to Mr. Tsongas still blames "unfair trade practices" that cost jobs. But now his vow is to "force open Japanese markets," not to keep out Japanese goods. Even this ad hasn't sent him zooming up in the polls, though.

In the broader campaign, too, protectionism has become a stray dog.



Paul Tsongas

Republican Pat Buchanan now says he's a "trade hawk," not a protectionist, a non-distinction he must have invented while driving in his Mercedes. In any event, his ads stress spending and taxes far more than trade. Mr. Clinton leans to open markets, when he isn't talking on all sides of the issue. The only undiluted protectionist is Iowa Sen. Tom Harkin, but even he's avoided the subject in his TV ads.

Maybe the candidates are reading polls that show New Hampshire, like most Americans, don't buy the easy temptation to blame foreigners. And if they don't buy it during an economic depression like New Hampshire's today, protectionists should ask if they ever will. Tubby Harrison, who advises Mr. Tsongas, says he recently asked Midwesterners to cite either our own mistakes or Japanese trading habits as the cause of our economic ills. They chose our problems by three-to-one.

All of which should embolden even the fainthearts in the Bush White House. Instead of hiding behind Lee Iacocca, Mr. Bush could campaign openly for his Mexican free-trade accord, and for a post-Cold War world based on free-trade principles led by a rejuvenated America. Maybe someone should send him Paul Tsongas's talking points.

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America's Growing Economic Lead

By LAWRENCE B. LINDSEY

Two leading Japanese politicians, Prime Minister Kiichi Miyazawa and Speaker of the House Yoshio Sakuruchi have caused a firestorm by questioning the quality and work ethic of America's workers and this country's ability to compete in the world. But doubts about America are not confined to foreigners. Not too long ago, some American leaders warned that the country is at risk of a future of flipping hamburgers and sweeping up around Japanese computers.

Fortunately, the evidence is strong that those who are bearish about America's future are wrong about both the past and the future. But the pessimism about America is so widespread that talk of protectionism and a retreat from active involvement in international economic and political affairs is again fashionable. The facts suggest that those seeking a truly effective industrial policy should actually favor active American promotion of rapid world-wide economic growth in the context of free trade.

Growing Advantage

Research by Andrew Warner of Harvard University and the Federal Reserve shows that, contrary to popular belief, America's advantage is in the production of high-technology capital goods, and that this advantage has been growing. A key reason for the recent boom in exports has been the rapid rise of world-wide spending on capital goods.

Industrial Giant

Back in the late 1960s, when by all accounts the U.S. was the world's industrial giant, manufacturing amounted to about 22% of real gross domestic product. Much of this manufacturing went into defense and the production of consumer goods from shirts to automobiles. Only 28% of the manufacturing base was devoted to capital goods such as computers, aircraft and industrial machinery, and only 20% of American capital goods were exported. The total value of U.S. capital-goods exports was just 1.4% of GDP.

Today, when some assert that the U.S. has lost its manufacturing base, manufacturing output has risen to 23% of real GDP. The share of the manufacturing base devoted to capital goods has risen to 38%. This capital-goods boom has been made possible by exports: About 45% of capital goods output is now sold abroad, more than double the proportion of the late 1960s. Capital-goods exports now amount to 4% of GDP.

Contrary to the pessimists' view, a major part of this improvement occurred during the 1980s, and particularly the late 1980s. During the 1980s, the growth in real exports amounted to one-fifth of the real growth of the economy. Inflation-adjusted growth in exports of capital goods outpaced overall growth by better than two to one. Since 1986, the story is even more

striking. Nearly half of America's real economic growth over the past five years has been in exports.

Also contrary to the pessimists' claims, U.S. exports have become less based on farm and other primary goods and more focused on high technology. Capital equipment has risen to 41% of U.S. exports from 30% in the late 1960s, largely as a result of the world-wide investment boom: As other countries develop their economies, they purchase increasing amounts of American-made machines, computers and airplanes.

During the past two decades, the investment share of world product has risen to 26% from 22%. In dollar terms, gross world investment outside the U.S. in 1992 will be roughly \$5 trillion.

We should hope that this process con-

In the late 1960s, only 20% of American capital goods were exported. Today, about 45% of capital-goods output is sold abroad. Capital-goods exports now amount to 4% of GDP.

tinues, not only for humanitarian reasons, but also to benefit the American economy. Each 1% in world investment spending produces a 1.5% increase in exports of capital goods, and almost a full point increase in total merchandise exports. Strikingly, not only does the relationship between world-wide investment and U.S. exports pass traditional statistical tests easily, the relationship stands up to a wide variety of mathematical and statistical specifications. In fact, the link between U.S. exports and world-wide investment shows some signs of having strengthened in recent years.

It is interesting to contrast the U.S. performance with that of Japan. There is no evidence of a statistical relationship between Japanese exports and world investment spending over the past quarter century. There does appear to be some improvement over time for Japan, although this improving trend does not pass statistical muster. Further, even at its highest, the sensitivity of Japanese exports to world-wide investment spending remained below America's.

One reason for the popularity of the pessimists' view is that America's strengths are not apparent in goods that consumers normally buy. To see them, one has to visit factories, construction sites and airport hangars—not your usual tourist stops.

The regional composition of investment also appears to be shifting in America's favor. Latin America as a whole and Mexico

in particular are increasing their pace of investment. During 1989, the U.S. exported twice as many capital goods to Latin America as did Japan. The other area of potential investment in the years ahead is the former communist bloc, which could become a staggering source of future growth of U.S. capital goods exports.

The most urgent message of this analysis is that encouraging faster world-wide economic development might be the single most effective policy for promoting the growth of exports. The export-promotion policy that many suggest as an alternative to freer trade is a reduction in the exchange value of the dollar. This has three potential drawbacks. First, it's not clear that a country's monetary authorities can control the value of their currency. Second, if foreign-exchange markets perceive that devaluation is an intended policy of the U.S. government, interest rates in assets denominated in dollars might rise to offset the exchange-rate loss. Third, devaluation would reduce Americans' purchasing power and standard of living.

Recent history provides a good test of the relative efficacy of world-wide investment and exchange-rate depreciation. The late 1980s were a period not only of rapidly growing world-wide investment spending, but also of real dollar depreciation. During the five years following the Plaza Accord of 1985, the dollar fell 38% on a trade-weighted basis. World-wide investment spending rose 38% over the same period.

Over those five years, total U.S. merchandise exports rose \$192 billion in inflation-adjusted terms. \$106 billion of the additional merchandise exports, or 55%, was statistically associated with the rise of global investment.

Common-Sense Ideas

Let there be no mistake: Neither America nor any other country can expect to enjoy an economic free ride. Americans should continue their efforts to reform the nation's schools, increase the investment rate, encourage the natural entrepreneurship of the population and subject government spending and regulation to rigorous cost-benefit tests. But these are common-sense ideas that we would be well advised to undertake regardless of the international trading situation.

There may be some advantage in having Mr. Miyazawa and his countrymen think that America is in decline. It probably pays to be underestimated. But we would be foolish to underestimate ourselves. World economic trends are moving our way and we do not need to be protected from them. If anything, we need to reinforce them and to increase our exposure to them. The best industrial policy for America to pursue is active involvement in the world's affairs to promote global economic development and free trade.

Mr. Lindsey is a governor of the Federal Reserve, in Washington, D.C.

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FRIDAY, FEBRUARY 7, 1992

House Republicans Remodel Bush Plan For Economy With Conservative Taste

By JACKIE CALMES
And DAVID ROGERS

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON—Congressional Republicans are drafting a pared-down version of President Bush's economic-stimulus package that will embody their favorite tax cuts, strip out tax increases and propose savings in federal entitlement programs to cover the cost.

The strategy was spearheaded by conservative Republicans in the House and decided in private sessions at the Capitol among GOP congressional leaders. White House Chief of Staff Samuel Skinner, Treasury Secretary Nicholas Brady and budget chief Richard Darman also attended. The Republican lawmakers' initiative reflects conservatives' disappointment with key elements of Mr. Bush's plan to stoke the economy.

The streamlined package, not Mr. Bush's entire tax plan, will represent the Republican position when Congress acts this month and next on a tax bill. The centerpiece, as in Mr. Bush's budget, will be a proposed cut in capital gains taxes. The package also is likely to include Mr. Bush's proposals for a one-time investment tax allowance for business equipment purchases, restoration of the real estate industry's "passive loss" deductions, a \$5,000 credit for first-time home buyers, and penalty-free use of Individual Retirement Accounts to buy first homes.

"It sounds like a great idea to me," said Mr. Skinner last night.

No Cherry Picking

The Republican lawmakers' action comes partly in response to signals that House Democrats, led by Chairman Dan Rostenkowski (D., Ill.) of the tax-writing Ways and Means Committee, are planning to force the House to choose between Mr. Bush's plan and a still-unwritten Democratic alternative.

"If Mr. Rostenkowski would like to design his version of the president's bill, we'll be glad to welcome him into our party and give him a chance," said a sarcastic Rep. Newt Gingrich of Georgia, the second-ranking House GOP leader.

This week, Rep. Rostenkowski rejected an administration call for Congress to act immediately on just seven provisions, chiefly a capital gains tax cut, and to wait until later to act on other tax changes such as a middle-class tax cut. The Ways and Means chairman called that idea "cherry-picking," and insisted Congress will work on just one tax package this year to avoid a bidding war.

By taking their pick from Mr. Bush's blueprint, the Republicans in effect rejected provisions that would increase taxes involving annuities, securities, corporate-

owned life insurance and credit unions. Lobbyists for those interests have been working furiously to block Mr. Bush's proposals.

The strategy also allows congressional Republicans to redraw provisions they dislike—especially the one on capital gains, which are profits on the sale of assets. Mr. Bush proposes to reduce the tax on capital gains to 15.4% from 28% for assets held at least three years. Conservatives are vexed that Mr. Bush didn't propose to index capital gains for inflation, that he would require the three-year holding period and that he didn't propose the cut for corporate taxpayers. They also object that his capital gains tax cut wouldn't benefit many real estate investors or taxpayers subject to the alternative minimum tax.

Mr. Skinner, asked twice how Republicans feel about the president's overall tax plan, each time said evasively, "They were very excited about our health plan."

'It Has to Be Paid for'

"If the Republicans want to change the president's program, we'd like to see it," said House Majority Leader Richard Gephardt (D., Mo.). "But it has to be paid for."

The administration estimates that the limited version would cost about \$4.5 billion over six years. Mr. Darman, leaving
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House Republicans Revise Bush's Plan To Boost Economy

Continued From Page A3

the Capitol after a final meeting with senators last night, said the package's cost would be offset by a bookkeeping change involving the Pension Benefit Guarantee Corp. that the administration says would pick up \$21.8 billion over six years. That maneuver was proposed in Mr. Bush's fiscal 1993 budget last month, and widely derided by Democrats and budget analysts as a gimmick.

Democrats are sure to object that the alleged savings fall short. An analysis from the Joint Committee on Taxation put the total cost of the tax cut provisions at about \$27 billion through 1997—almost six times the Republicans' estimate. That is mainly due to a dispute over the capital gains tax cut: Republicans say it would increase revenue by stimulating more asset sales, while Democrats insist it would lose revenue.

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FRIDAY, FEBRUARY 7, 1992

Scalia's Warning

Antonin Scalia is a serious man who takes his job seriously, even if the prevailing wisdom is that his life's calling is just another category of politics. Justice Scalia got some of this burden off his chest in a rare public speech on Tuesday.

Speaking at George Washington Law School, Justice Scalia put the problem plainly: "You have a process in which the Senate takes nominees and asks them a whole list of questions. 'Judge so-and-so, do you think this right is in the Constitution?'" This, he said, "is an absurd spectacle. You don't look for a good lawyer, somebody who knows how to read a text, who asserts the tradition that goes behind that text, who has a good legal mind.

"But you ask whatever the current hot issue is. You have to go through a whole litany of those rights that the people want right away to put in their Constitution." This transformation of judges into politicians "is inevitable once people come to believe" that the Constitution is "an evolving document, an empty bottle that you fill up as you please," he said.

Justice Scalia's critique of the Borking process contrasts with comments from Senate Majority Leader George Mitchell, who now says the gutter politics of judicial nominations is the President's fault. He proposes "meaningful consultations" on nominations, meaning Democratic vetoes of nominees.

Liberals have clearly decided that since they can't win the White House they'll treat presidential nominations of federal judges as mainly interest-group politics. One result, as Justice Scalia has said, is that many people think a court case is well or badly decided based on whether the politically sympathetic party wins—regardless of what the law is.

INS v. Elias-Zacarias, which the Justices decided on January 22, is a perfect example. A Guatemalan tried

to get asylum in the U.S. based on a threat from guerrillas that he should join their armed forces. The typical headline on the opinion was: "Supreme Court Limits Political Asylum." If editors didn't think judges were mini-legislators, the headline would have read: "Supreme Court Says Federal Statute Limits Political Asylum."

The issue in the case was not how the Justices felt about refugees, but about the meaning of the Immigration and Nationality Act, 8 U.S.C. Section 1101(a)(42). This law, which the Court didn't write, says that a refugee can get asylum if there is "a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion."

Lawyers for Jairo Elias-Zacarias argued that he qualified for asylum, but in a 6-3 opinion Justice Scalia said that the phrase, "on account of . . . political opinion," has a plain meaning that doesn't cover this case. There was no evidence that he opposed joining the guerrillas because he held different political views; it could have been a "fear of combat, a desire to remain with one's family and friends, a desire to earn a better living in civilian life."

As a political matter, we'd guess that a Senator Scalia would vote for legislating a far more open asylum policy. But until Congress changes the law, the Supreme Court's only job is to enforce the clear language of the statute.

A generation of activist judges acting like legislators did much to reduce the nobility of law to so much politics. Much of the public now regards a trip to the courthouse as a crapshoot. This public cynicism is one result of the era of Earl Warren and William Brennan. Justice Scalia is right to want judges only to judge, and to be judged by Congress only as judges.

Boskin Suggests Fed Consider New Steps If Economy Stays Soft

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Michael Boskin, the president's chief economic adviser, said that the Federal Reserve should consider lowering interest rates if the economy isn't noticeably stronger soon.

Testifying yesterday on the Economic Report of the President to the congressional Joint Economic Committee, Mr. Boskin said that the Fed "should be prepared to" ease monetary policy again if government indicators released in the next few weeks show that "the economy does not appear to be improving."

The government is scheduled to release its employment report for January today, and retail sales figures and industrial production and capacity utilization for last month are scheduled to be released next week. Those figures may likely reflect the impact of the aggressive interest rate cuts

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FRIDAY, FEBRUARY 7, 1992

Surrogate Campaigners Try to Deflect Voter Ire From Bush to Anyplace Else

By MICHEL MCQUEEN

Staff Reporter of THE WALL STREET JOURNAL

BEDFORD, N.H.—"It's cold outside," Marilyn Quayle is telling the Bedford Rotary Club. "Have any of you looked at your heating-oil bills? What would they look like if over 60% of the world's oil reserves were controlled by Saddam Hussein?"

Wrapping up three days of campaigning for President Bush, the vice president's wife says that if voters are "upset" with the way things are going, it obviously can't be the fault of a president who has already proved in the foreign arena how much he can accomplish.

"The message to be sent, the message for change, is to the Congress," she says.

Voters in this economically stricken state are upset with the way things are going. In fact, they are madder than hell: A recent poll by Sawyer-Miller Group found that an overwhelming 82% of voters—and 76% of Republicans—believe the country is headed in the wrong direction. So, for the army of surrogate campaigners the administration has unleashed in advance of the Feb. 18 primary, the goal is simple: Re-route that anger somewhere—Saddam Hussein, Ted Kennedy, anywhere—away from George Bush.

The task has taken on critical importance because of the challenge posed to Mr. Bush by conservative television commentator Patrick Buchanan. He has been blanketing the state with eye-catching ads and a provocative message: that President Bush has betrayed conservative values by raising taxes, doling out too much foreign aid and too often making common cause with Democrats.

Lead of 2 to 1

Polls in the state continue to show the president—who is due here to campaign personally next week—with a lead of better than 2 to 1. Bush strategists figure they can effectively end the insurgent's challenge by drubbing him here—holding him to less than 30% of the vote.

But the Bush campaign's fear remains that many voters whose support for the president is soft or who are undecided—at least a quarter of the electorate—will at the last moment cast a protest vote for Mr. Buchanan. Former Gov. Hugh Gregg, an adviser to the president's campaign here, says his chief worry isn't the people who actually like Mr. Buchanan: "I'm more worried about the Bush people who want to send a message."

If Mr. Buchanan can win 35% to 40% here, it would give him ample ammunition to continue his campaign further into the primaries. The last two incumbent presidents who faced that kind of sustained primary challenge—in 1976 and in 1980—were both defeated in November.

To avert that, the Bush surrogate campaign tailors its message as much as possible to the conservative GOP electorate here. Congress is blamed at every turn; campaigning yesterday, First Lady Barbara Bush said "the economy will be great"—if only Congress would pass Mr. Bush's economic program. Heavy emphasis is placed on surrogates with conservative credentials, such as Vice President Dan Quayle, Housing and Urban Development Secretary Jack Kemp, former Education Secretary William Bennett, House Minority Whip Newt Gingrich of Georgia and Texas Sen. Phil Gramm, all of whom have been here in recent days or are scheduled to come.

Several of these conservative stalwarts are being used not just to tout Mr. Bush but also to go after Mr. Buchanan. "Every moment Buchanan has to spend fighting for the right wing is a moment he can't reach out for other voters," says former New Hampshire Attorney General Thomas Rath, a Bush campaign adviser here.

Aid and Comfort

To that end, the Bush campaign seeks to paint the conservative challenger as giving aid and comfort to congressional liberals by weakening the president. People who vote for Mr. Buchanan "might as well cast a vote for Ted Kennedy," says New Hampshire Gov. Judd Gregg, chairman of the president's campaign in the state and Hugh Gregg's son.

Some surrogates also have been willing to do what Mr. Bush himself can't do, which is to attack the challenger directly. Rep. Gingrich, for example, glibed that Mr. Buchanan "puts America First except when he gets into his Mercedes." And Mr. Bennett assailed him as "isolationist, protectionist . . . and xenophobic," likening him to George McGovern and the 19th century Know-Nothings.

Not all the surrogate Bush campaigners have been wildly effective. For example, former White House Chief of Staff John Sununu, another former New Hampshire governor, remains unpopular here; his efforts at a Salem gathering last weekend to defend the president's 1990 budget-and-tax deal with Congress seem to have produced little more than several cranky editorials in the ultraconservative Manchester Union Leader.

CAMPAIGN
★ 92

The President
said to Keep. He's
anxious to get the
photo. Ry



■ JANE FONGA
TOGNACCI and
fight it out for a
other Las Vegas
starring role on
TV's "American
Gladiators."

ACCENT

Weekend Update
Your complete
guide to the Las
Vegas weekend



■ IS THIS the man who
should succeed Jerry
Tarkanian as Rebel
basketball coach? Meet him
today and rate his prospects.

SPORTS



USA WEEKEND

USA WEEKEND

■ THE USA's most
popular male singer
almost wrecked his
marriage through
infidelity. Read Garry
Brooks' Valentine
Day story in USA
Weekend today.

S VEGAS SUN

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P.M. HOME WEEKEND

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LAS VEGAS SUN



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WEEKEND



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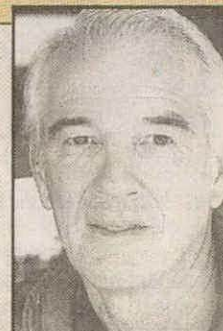
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ACCENT

Weekend Update

Your complete guide to the Las Vegas weekend

PAGE 2D



■ **IS THIS** the man who should succeed Jerry Tarkanian as Rebel basketball coach? Meet him today and rate his prospect

PAGE

SP

PRESIDENT BUSH IN LAS VEGAS





BY NEAL C. LAURON / STAFF

President: Health bill overdue



BY DAVID E. NELSON / STAFF

PRESIDENT BUSH took time for a two-mile run with Olympic Trial qualifier Trevaia Williams of UNLV during his brief day in Las Vegas. Above, the president visits University Medical Center.

Bush tries to sell his plan during visit to Las Vegas

By Steve Kanigher

LAS VEGAS SUN

On a whirlwind tour of Las Vegas intended to show his concern for health care, President Bush chatted with mentally handicapped workers, jogged around a UNLV track and cradled a premature baby.

The four-hour visit Thursday afternoon, the first by Bush to Nevada during his presidency, was a neatly orchestrated effort to help sell his new health care plan to Congress and the nation.

To spread his message, the president chose three venues: Opportunity Village, a vocational training center for the mentally handicapped at 307 W. Charleston Blvd.; the UNLV track just off Flamingo Road; and University Medical Center at 1800 W. Charleston Blvd.

On this second leg of a trip that began Thursday morning in Cleveland, where

■ **PATRIOTS** and protesters at UMC.

■ **BUSH** says his health plan won't hurt Medicare.

Page 6A

■ **SECURITY** ties up traffic, and a student volunteer gets a thankless job.

Page 7A

■ **WHITE** House aide Sig Rogich says city "impressed" Bush.

Page 1E

he unveiled his plan, and ends today in San Diego, Bush acknowledged that he's in for a tough fight with the Democratic-controlled Congress.

"We'll try hard," he said at Opportunity Village. "I don't know the likelihood (of success), but it's long overdue."

But Bush otherwise brushed off questions from accompanying media about the possibility that the Democrats would shoot holes through his plan. He has proposed a \$100 billion program of tax breaks and vouchers to help Americans buy health insurance.

While seeking limits on the growth

SEE BUSH, 7A

■ Bush

CONTINUED FROM 1A

of Medicaid and Medicare, the president proposed tax credits and deductions of up to \$3,750 for low- and middle-income families.

Rep. Barbara Vucanovich, R-Nev., who accompanied Bush aboard Air Force One from Cleveland to the Hughes Executive Terminal, said shortly after his departure that the president was in an upbeat mood about his cross-country trip.

"I think he finds everything is going well," Vucanovich said. "He was very excited about going to the neonatal and burn centers at the hospital. He was very moved by the visit.

"He cares about health care and I think he did a very good job with his plan."

Riding in a black limousine, Bush led a caravan of 26 vans, station wagons and police cars along routes that were temporarily shut off to other traffic.

The president's arrival inside Opportunity Village was greeted by loud applause and cheering from 200 clients seated at various work stations, some stuffing envelopes, others working with stickers to help a bank publicize a name change.

Still, Opportunity Village development director Linda Smith said she expected an even louder reaction from the men and women.

"They had been so excited, I can't believe they have been this constrained," Smith said.

One man in a wheelchair gave the president a hand-held stop sign with an imbedded flashing red light, an item made at the vocational training facility. Bush thanked the man while he flashed the sign at the media, who were cordoned off on a raised platform in the center of the workshop.

Shaking hands with some workers and distributing autographed cards to others, Bush was particularly struck by read-a-thon brochures that some clients were processing.

"I've got to get my eyeglasses," Bush said, as he scanned the flier. "I'm a little old in the eyeballs.

"We ought to have Barbara Bush out here. She's very interested in reading programs."

After the half-hour visit, the entourage doubled back to the UNLV track, the only portion of the trip not previously announced to the media. The itinerary noted only that the president would have private time between tours of Opportunity Village and University Medical Center.

Some private time!

Bush used it covering two miles, or eight laps of the track, in 19 minutes and 28 seconds.

FAST FACTS

Highlights of President Bush's four-hour visit to Las Vegas:

■ **TIMETABLE** - President Bush arrived at Hughes Executive Terminal aboard Air Force One at 2:20 p.m. He departed at 6:20 p.m.

■ **GREETERS** - The president was greeted at the air terminal by Gov. Bob Miller, Mayor Jan Lavery Jones, Secretary of State Cheryl Lau, state Treasurer Bob Seale, Nevada Republican Party Chairman Ken Sawyer and Clark County Commissioners Bruce Woodbury and Thalia Dondero. Several local "Points of Light" recipients also were on hand.

■ **ENTOURAGE** - Joining Bush on his trip aboard Air Force One were White House aide Sig Rogich, owner of R&R Advertising in Las Vegas, deputy chief of staff Henson Moore, presidential spokesman Marlin Fitzwater and Rep. Barbara Vucanovich, R-Nev. About 30 White House correspondents and local media representatives tagged along, kept at bay by ropes or other barriers at each location.

■ **TOUR GUIDES** - The president's tour guides at Opportunity Village were executive director Mike Husted and board member Mike Morrissey. At University Medical Center, his guides were Dr. Sang Ahn, director of the neonatal unit, and Dr. Terry Lewis, director of the Lions burn unit.

■ **FRESH PAINT** - The halls of the Clark County-owned UMC had been freshly painted just hours before the president arrived. Workers cleaned panels covering lights, which had not been done in years, hospital staffers said.

His running mates: Gov. Bob Miller, UNLV President Bob Maxson, UNLV Athletic Director Jim Weaver and about a dozen members of the women's track and softball teams and men's soccer squad.

After stretching on the track and showering in an adjacent university locker room, Bush changed back into his suit and led the way to UMC.

At the hospital, Bush took quick tours of the neonatal unit, where he held a premature baby boy, and the Lions Burn Unit, where he visited some of the patients. A group of excited nurses practically climbed over their work station counter to shake hands with the president.

PRESIDENT'S VISIT

Bush says plan won't hurt Medicare

By Mary Manning

LAS VEGAS SUN

Nevadans from Gov. Bob Miller to local doctors expressed concern that President Bush's proposal to spread the health care blanket over most Americans will hurt existing programs such as Medicaid.

After Bush's speech Thursday at University Medical Center, a local anesthesiologist told the president that new regulations on Medicare have already driven costs up 7 to 10 percent. Bush said his \$35-billion-a-year proposal will not result in reduced Medicare spending.

Dr. Bruce Burnett told Bush that costs keep going up, no matter what tinkering has occurred in the current system.

"Getting into the system is the

problem right now," Burnett said as the president listened intently.

"I don't want to get caught up in a political arena," Bush told physicians surrounding him after his speech. "We're in an election year."

The president's prescription for national health care recovery hinges on a \$100 billion tax credit package over the next five years that would extend medical coverage to roughly 30 million uninsured Americans, boost efficiency and drive down medical costs — including federal programs such as Medicare and Medicaid. The president insisted he will not cut Medicare or Medicaid.

Bush wasn't sure how his plan would fare in Congress.

"We're going to work hard to get it through, but I don't want to be naive

about it," he told Burnett.

Miller, grappling with severe budget problems in Nevada, said he fears the federal government will shift responsibilities to the states.

"I applaud the national plan if it provides adequate health care," Miller said after the president spoke at UMC, "but I'm worried about the uncertainty if any of it is shifted to the states."

State Welfare Administrator Linda Ryan said she was discouraged by the president's proposal to cap federal Medicaid payments, because recipients in Nevada soared by 70 percent in less than 2½ years.

"And that's because (the federal government) kept mandating and mandating things to the state," she said. That means the state picks up a greater share of the Medicaid burden.

The Nevada Hospital Association termed Bush's proposal "an insensitive shell game."

"The plan is inadequate and misdirected and does not address the issues of cost containment or equity, which can only be dealt with through comprehensive reform of the health care system," said Jerry Ash, president of the NHA.

The American Medical Association agreed with the Bush proposal to reform small business insurance, but questioned the administration's reliance on managed care programs. Managed care involves set prices for specific medical services.

James Todd, AMA executive vice president, said the managed care approach limits how much is paid to doctors for treatment. He said the AMA

also is concerned about possible cuts in Medicare and Medicaid.

While touring UMC's neonatal unit, Bush cradled 7-day-old Braxton Ross, weighing 1 pound, 13 ounces. The baby was removed from an incubator by registered nurse Julia Dybeck and handed to the president.

"It's amazing," Bush said. "It's only 1 pound. I could barely see it myself. It's amazing."

UMC's neonatology chief, Dr. Sang Ahn, said there are many uninsured people who can't afford to pay medical bills, yet the hospital accepts everyone who comes through the doors.

"If they cut the Medicaid fund, that's going to hurt us tremendously," Ahn said.



BY DAVID E. NELSON /STAFF

PRESIDENT BUSH was welcomed to Las Vegas in the sign above at the Continental Hotel on Paradise Road shortly after his arrival at McCarran International Airport. Not everyone agrees with

Bush's policies, however. At right, a protester expresses her feelings about the president's health care plan across Charleston Boulevard from University Medical Center.



Jog on UNLV track very presidential

By Steve Kanigher
LAS VEGAS SUN

UNLV President Bob Maxson received a strange invitation from the White House. Staffers there wanted him to jog with President Bush.

It just so happens that Maxson's school has a nine-lane tartan track, the type of 400-meter oval the president normally seeks when he is on the road.

"I was very excited and flattered," Maxson said of Wednesday's call from White House aide Sig Rogich, a Las Vegas advertising executive. "Then I got calls from three or four other staff people, and then I met with two people from the FBI at my office."

"Then this morning (Thursday) Sig called me from Air Force One to confirm and to talk about the weather."

The weather was overcast, but Maxson's spirits were lifted. Joined by Gov. Bob Miller, UNLV Athletic Director Jim Weaver, about a dozen of the school's women athletes and a Secret Service agent serving as pacer, Maxson ran side by side with Bush for

most of their two-mile workout. Appropriately, all participants, including Bush, were adorned in UNLV T-shirts and workout sweats.

Bush and Maxson talked about a lot of things. They discussed their children: Bush has a son who owns the Texas Rangers baseball team; Maxson has a physician son who attended the University of Texas medical school.

"We talked about his playing baseball at Yale, his playing twice in the College World Series," Maxson said. "Then we talked about his presidential papers. He said that he was going to give them to Texas A&M."

"I told him more than he wanted to learn about UNLV. He inquired about the health sciences building, which he thought was strikingly beautiful. He also seemed to know that we had a supercomputer."

Maxson said he was most impressed by how the president treated the students. Each one had a picture taken with Bush after their jog. In turn, Bush was presented with a UNLV



Bob Maxson

travel bag, the same kind used by the school's student-athletes.

Bush appeared most attached to UNLV track star Treva Williams, who has qualified for the U.S. Olympic trials in New Orleans this summer. In a mock sprint to the finish line, Williams nipped the president by a stride.

"The president just fell in love with her," Maxson said. "She was talking to him like she was talking to her father."

Although one national reporter traveling with Bush referred to the UNLV visit as a "Jog Op" — one of several jogging photo opportunities he has given to the media during his presidency — Maxson said he believes the president merely wanted to get exercise and do so with other people.

"It gives him a chance to meet people and work out at the same time," Maxson said.

Patriots, protesters at UMC

By Adrian A. Havas
LAS VEGAS SUN

President Bush was alternately hailed and criticized by a mix of protesters and patriots gathered in front of University Medical Center.

About 400 onlookers waited patiently Thursday until the president's limousine arrived at the hospital about 4:30 p.m.

Escorted by motorcycle police, Bush's limo ducked into a garage. The president could not be seen from the street.

The low-key arrival underwhelmed some. One woman complained, "Boy, they don't want anyone to see him, do they?"

Dan Piper, a manager at the Tropicana Hotel, braved the chilly threat of rain to support the president.

"I've not heard what the president's medical program is and I'm kind of curious whether it's truly going to help us," Piper said as he leaned on his mountain bike. "I honestly feel Mr. Bush is trying to do the best for the country. The people need to give him time to let his ideas work."

American Peace Test, an anti-nuclear group, took the opportunity to protest the administration's policies. One volunteer said Bush's defense cuts of between \$50 million and \$100 billion don't go far enough.

"We need the resources he is wasting for a real health care system and for housing," said David Solnit, an American Peace Test volunteer official.

Stephen Switzer, local director of the Homeless Advocacy Project, focused on Bush's new package

of health care proposals unveiled in Cleveland today.

"The tax break means nothing to homeless people," Switzer said. He said the underlying problem of skyrocketing costs has gone unaddressed.

"Who is Bush using as an adviser? The American Medical Association," he said. "That group is a significant reason we have the problem we do today."

Bush's plan would create a system of tax credits and deductions to help poor and middle-income people pay for health insurance costs.

One medical care consultant, John Goodman, who has offices in Las Vegas and Los Angeles, said he supported Bush.

"I don't think that's fair," Goodman said of Switzer's comment. "The president is using virtually every sector of the U.S. public, from insurance companies to hospitals, physicians, and large and small businesses."

Despite such differences of opinion, the gathering was peaceful. But some of those gathered to get a glimpse of the nation's chief executive chafed at the protesters.

Marlene Booth, building coordinator for Sierra Health Services, took what she called "a long break" with five of her co-workers to greet the president.

"I think that's terrible," Booth said of the protests. "It causes too much, you know, disturbance. It makes everybody leery of something happening."

*5 1/2% INT.



PRESIDENT'S VISIT

Security ties up city traffic

Motorists spend two hours crossing town

SUN STAFF REPORTS

To ensure President Bush's safety during his visit to Las Vegas, Metro Police and the Nevada Highway Patrol were out in force to assure his 26-car entourage moved along trouble-free.

But the security precautions took their toll on Las Vegas motorists.

Roadblocks were set up on Interstate 15 from Sunset Road to U.S. 95 for several hours Thursday, resulting in massive traffic jams. Motorists reported that it took as long as two hours to cross town in the afternoon.

As Bush ventured onto city streets such as Charleston Boulevard and Flamingo Road, in-

tersections were blocked by police vehicles. Yellow police tape cordoned off sidewalks on Charleston between the interstate and University Medical Center, where Bush visited.

A woman believed to be in labor was stranded in traffic on I-15 at about 6 p.m. Police called Mercy Ambulance to transport her to UMC, but it turned out to be false labor.

Traffic flow on I-15 resumed about 6:30 p.m., an NHP dispatcher said.

Local law enforcement agencies were heavily involved in traffic and crowd control, but the Secret Service ran the show.

Steve Colo, an agent in the Secret Service's Los Angeles office, said many Southern California agents were dispatched to Las Vegas to help with the president's visit, as well as other agents from around the

Southwest.

The Secret Service is the main agency responsible for the president's security.

John Hanks, spokesman for McCarran International Airport, said additional security was not needed there because the Secret Service took care of the arrangements for Bush's arrival and departure on Air Force One.



STAFF

PRESIDENT BUSH meets Las Vegas Mayor Jan Lavery Jones.

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Driver has thankless job

SUN STAFF REPORTS

UNLV freshman Brad Beatty volunteered to help out on the 1992 Bush campaign, so they started him out with grunt work.

He had the thankless assignment of driving a vanload of local media who joined the president on his Las Vegas trip.

A member of the Young Republicans at the university, the criminal justice major did not get a chance to see the president. He had to wait outside in the van.

"Quite honestly, we're doing this as volunteer work," Beatty said of himself and two fellow UNLV students who were also van drivers. "I wish he (Bush) would have at least taken time to thank us for being part of the motorcade. But I know he's a busy man."

Still, Beatty said he has a lot of respect for the president.

"I think George Bush is a sound man," he said. "I have more respect for him than for

President Reagan."

What question would he ask if he could meet Bush?

"I would ask him what he's going to do about our homeless problem," Beatty said. "I know I sound like a Democrat, but I think it's a shame that a nation that sends billions of dollars (overseas) can't give money to homeless people in the United States."

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LAS VEGAS *REVIEW-JOURNAL*

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Final Home Edition

President zips through Las Vegas

Bush stays in city for four hours

□ George Bush's whirlwind trip includes a jog at UNLV, and stops at Opportunity Village and a neonatal unit.

By Jane Ann Morrison
Review-Journal

President Bush called his Thursday visit to Las Vegas a "kind of a hit-and-run day."

During his nearly four-hour Las Vegas stopover, while traveling from Cleveland to San Diego, the president:

—Visited 200 adults with disabilities at Opportunity Village, a private organization that teaches them work skills.

—Jogged around the track at the University of Nevada, Las Vegas for 20 minutes with Gov. Bob Miller, UNLV President Bob Maxson, Athletic Director Jim Weaver and nine student athletes.

Toured University Medical Cen-





President Bush cradles 1-pound, 13-ounce premature baby Braxton Ross during a visit Thursday afternoon to the

neonatal ward at University Medical Center. Accompanying the president is Dr. Sang Son Ahn, the director of the unit.

Jeff Scheid/Review-Journal

Sixteen die in crash of military plane

ter's neonatal and burn units before pitching his new health plan to about 100 members of the Southern Nevada medical community.

But there were a few things Bush didn't do:

—He refused to answer questions about Democratic criticism of his new health care plan, announced earlier Thursday in Cleveland.

—And he didn't announce that his presidential assistant for public events, Las Vegas advertising executive Sig Rogich, is his nominee to become ambassador to Iceland.

Some steps in protocol are delaying the announcement, but Rogich, who flew with the president on Air Force One, predicted he would be living in Iceland, his birthplace, by August.

"The timing is up to the president," Rogich said, while Bush was jogging around the track at UNLV.

Rep. Barbara Vucanovich, the only Republican in the Nevada congressional delegation, accompanied Bush throughout the day, along with Miller, a Democrat.

While hesitant to criticize Bush's health proposals, Miller conceded he was "concerned" and hoped the plan "would not be shifting medical expenses to the states."

This was Bush's first trip to Las Vegas as president, although he was here twice during his vice presidential days. A presidential trip planned for July 31, 1989, was canceled because of reports

Please see BUSH/7A

INSIDE

■ **HEALTH:** After touring the University Medical Center, President Bush pushed his new health care plan.

Page 7A

■ **TRAFFIC:** People trying to get around town knew the president was here because of the traffic jams.

Page 7A

■ **PROTEST:** About 100 anti-nuclear activists and advocates for the poor and homeless waited to voice their concerns to President Bush.

Page 7A

Clinton faces Vietnam draft

Bush unveils health care plan, but avoids financing issues

By Charles Green
and R.A. Zaldivar
Knight-Ridder Tribune News Wire

CLEVELAND — President Bush unveiled a new health care plan Thursday that would make insurance more affordable for low- and middle-income people, but he avoided the most controversial issues: controlling costs, financing and rationing care.

The \$100-billion plan, presented before a Cleveland business group, offered an election-year promise of popular tax credits and deductions for some 95 million Americans. Administration officials said it would reduce the number of uninsured to 5 million from 35 million.

"In these hard times, we simply

cannot accept the fact that one in every seven Americans is uninsured," said Bush.

Under Bush's plan:

—Private insurance would continue to be the main source of health care coverage for most Americans.

—About 24.8 million low-income people not served by Medicaid could obtain vouchers that would let them enroll in basic benefit plans approved by the states. Certificates worth \$3,750 would be available to a family of three or more in poverty. The poverty level is \$14,040 for a family four.

—Some 13.2 million people slightly above that level would be eligible for a partial credit.

—Another 56.8 million people — with incomes up to \$80,000 for a couple with one child — would be entitled to tax deductions for out-of-pocket expenses for health insurance premiums. The maximum deduction would be \$3,750, although those receiving employer-subsidized health insurance would receive smaller tax breaks, if any at all.

—States would be required to pass laws that change the way insurance companies do business. Insurance companies could not deny coverage to a worker because of a pre-existing medical problem. That would counter "job lock," the problem of workers who can't switch jobs out of fear of losing coverage.

—States also would bar insurance companies from denying coverage to small businesses and industries now blacklisted. Limits would be placed on what insurance companies charge businesses in the same industry.

However, with Bush and the Democratic-controlled Congress at odds over health reform, there appears to be no chance of comprehensive reform being passed this year. Indeed, the administration has no plans to submit legislation to Congress this year, despite Bush's call for action.

In presenting his plan, Bush was staking out the position he will maintain through the presidential election.

The plan avoids a major over-

haul of the health care system that would deal head-on with issues like runaway medical costs. Instead, it is a complicated prescription for changing the present system bit by bit.

Liberals and conservatives said Bush did not go far enough.

"He put one little toe in the water but he didn't do any hard stuff," complained Sen. John D. Rockefeller IV, D-W.V., a leading reform advocate. "Only hard decisions will get you cost containment and universal access."

The Bush plan is a "good beginning," said Edmund Haislmaier, a health care policy specialist with the Heritage Foundation, a leading conservative think-tank. But he added: "This is nowhere

near what is needed."

Rockefeller said congressional Democrats will push ahead with their "play or pay" plan, which would require employers to provide coverage for workers or pay a tax to support a public program for the uninsured.

Neither party has confronted the politically explosive issue of rationing health care, although many health policy analysts have argued that the government must eventually restrict access to some services to control costs.

The most apparent weakness in the Bush plan is its failure to designate a way to pay for the tax breaks, which would cost an estimated \$35 billion annually when fully implemented.

Queens join first ladies on guest list

Associated Press

WASHINGTON — Four queens and a grand duchess have promised to attend a worldwide summit of first ladies in Geneva, Switzerland, Feb. 25-26, to press for help in raising farm women of the world out of poverty.

Queen Fabiola of Belgium is the patron of the meeting. Acceptances have come from Queen Sofia of Spain, Queen Nur Al-Hussein of Jordan, Queen Halaevalu of Tonga and Grand Duchess Josephine Charlotte of Luxembourg.

Fund President Idriss Jazairy, an Algerian, predicted in an interview that 60 first ladies will be there. Marilyn Quayle, wife of the vice president, was invited after First Lady Barbara Bush declined, citing the presidential campaign, Jazairy said.

Later, Marilyn Quayle's office said she would not be going either.

The list of participants bristles with royal princesses — Lalla Merlem of Morocco, Malia Chakri Sirindhorn of Thailand — and the wives of presidents.

The organizer of the conference is the International Fund for Agricultural Development (IFAD), which has its headquarters in Rome and lends about \$400 million a year. It is affiliated with the United Nations and the new U.N. secretary-general, Boutros Ghali, is also due to attend.

Jazairy said the main goals are to call attention to the situation of 550 million poor rural women all over the world, their economic problems, undervalued contribution and untapped potential. He wants to focus on links between gender and rural poverty.

"Credit is one of the key elements," Jazairy said, and 90 percent of poor women can not get loans of even small sums.



Associated Press

Barbara Bush gently touches Amanda Wilton, 2, as her mother holds her during the first lady's visit to the Dartmouth-Hitchcock Medical Center's pediatric ward in Lebanon, N.H. Thursday.

First lady visits hospital on New Hampshire swing

Associated Press

LEBANON, N.H. — Barbara Bush visited an 11-year-old girl Thursday who was recovering from a truck accident on an icy lake, and said the president was too busy to campaign steadily against his challengers.

Bush said she would pray for Sarah Edgerly, who was trapped in her family's truck when it crashed through the ice of Merrymeeting Lake Sunday.

The first lady, on her third New Hampshire campaign visit, also acknowledged her hus-

band faced a significant challenge from Republican Patrick Buchanan, who has been campaigning constantly the last few weeks.

Asked if Bush could handily beat Buchanan in the primary Feb. 18, the first lady replied: "No, no, because he doesn't have the time. He's working for a living."

Doctors say Sarah was recovering, but they didn't know if she suffered permanent damage.

"I saw the girl. She was beautiful," Barbara Bush said.

criticized

demonstrate

resources diverted away from militarism and directed toward things that benefit the country, like housing, health care and jobs."

"We're still testing nuclear weapons. Why are we doing that?" Switzer asked.

Police had cordoned off several blocks of Charleston Boulevard and streets surrounding the medical center while the president visited the hospital from 4:30 to 5:55 p.m.

A large number of non-protesters, two to three times larger than the protest crowd, lined the street until darkness fell to observe the president's motorcade. Many held red, white and blue balloons.

Bush

From 1A

that American Marine Lt. Col. William Higgins was executed by kidnappers in Lebanon.

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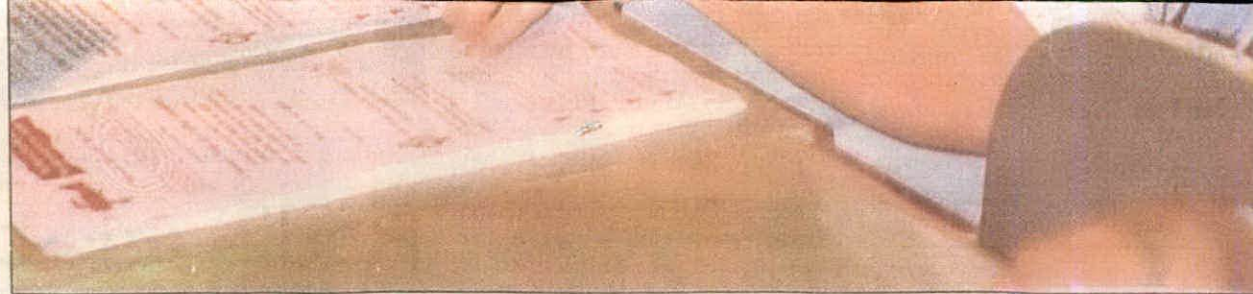
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President Bush gets a lesson in making labels Thursday from two workers at Opportunity Vil-

lage. The workshop was the first stop for the president during an afternoon visit to Las Vegas.

Jeff Scheid/Review-Journal

to get on the track during the president's jog.

The next stop was the county-owned medical center, where Bush held a 1-pound, 13-ounce premature baby, 7-day-old Braxton Ross. "It's amazing," Bush said.

He also visited with a 3-year-old girl in the burn unit, before giving a 10-minute speech to about 100 people in the hospital.

About 100 protesters staked out the medical center to show their displeasure with the president's policies.

"Stop the testing and start housing the homeless," declared one large sign.

Inside, patients and staff were

prepared to gawk at not only the president, but anyone who even looked familiar.

"That guy there, who's that?" asked respiratory therapist Mary Paquette, who was giving a running commentary to a patient unable to stand long enough to see.

"That guy" was Marlin Fitzwater, the president's press secretary.

Bush's brief speech at the hospital was upbeat. He praised the people who are "devoting their lives to helping others."

He quickly reviewed some of the points of his health plan, but the one that got the applause was his urging of "putting a lid on outrageous malpractice law-

suits."

"America's love for these law-suits has just got to stop," he said.

Although he spoke briefly with a few of the people at his speech, the news media were not permitted to get close enough to hear the exchanges.

But he admitted he was pitching his plan, and he asked them to "please, help us if you can, if you agree with us."

He ended his visit with a quick photo opportunity with five of the seven Clark County commissioners. And for the final time, he stopped traffic on I-15 by heading back to the airport, where Air Force One lifted off nearly four hours after it had touched down.

Few people allowed to welcome Bush to Las Vegas

By Marcia Pledger
Review-Journal

Thousands of people didn't get to greet President Bush when he arrived Thursday in Las Vegas.

Only dignitaries, news media, security guards and a few people who had connections saw him as he landed at Hughes Executive Terminal.

But anybody trying to get anywhere in town knew the president was here because of the traffic jams.

Interstate 15 was closed at times. And, throughout the city, streets were blocked for Bush's motorcade of more than two dozen vehicles.

Terri Anderson was allowed to bring her four children to the airport, along with three other children who are friends of the family, to see the president.

Anderson's husband, Scott, is a member of the Thunderbird aerial demonstration squad at Nellis Air Force Base.

She said she and her husband are "really good friends" with an Air Force major, and "he arranged for us to come."

"I thought it was neat," said Anderson, even though she would have liked to have met the president personally. But, she said, "I know he's a busy man and can't shake everybody's hand."

Except for Las Vegas Mayor Jan Laverty Jones, Gov. Bob Miller and a few other political leaders who stood in line outside Air Force One, none of the spectators was able to shake his hand.

Anderson's 11-year-old son, Clint, said he was disappointed that he wasn't able to get any closer to the president as he stood in a roped off area about 200 feet from the airplane.

"I got to see him at George Air Force Base (in Victorville, Calif.) about two or three years ago," Clint said. "I almost got to shake his hand then."

Michael Eagan, 11, was invited by his friend, Patrick Taylor, and

both boys were very excited after seeing Bush get off the plane and get into a limousine minutes later. Both boys go to St. Francis De Sales School.

"It was awesome. I wanted him to come closer, though," Michael said. "They didn't believe me at school, so I'm going to take pictures and say, 'Boom.'"

Patrick's mother, Gail Taylor, said she was impressed to see the blue and white plane that had in large print "United States of America" emblazon on its side.

"It's not very often a person gets the opportunity to see Air Force One and the president."



Jim Laurie/Review-Journal

President Bush is welcomed to Las Vegas on Thursday afternoon by Gov. Bob Miller and other Nevada leaders. Following Bush

down the steps off Air Force One is Rep. Barbara Vucanovich, the only Republican in Nevada's congressional delegation.

"There's going to be a general board had told him he probably cloud that will have some of

Spending priorities criticized

Anti-nuclear activists, homeless demonstrate

By Keith Rogers
Review-Journal

About 100 anti-nuclear activists and advocates for the poor and homeless waited nearly four hours Thursday to voice their concerns to President Bush when he arrived at University Medical Center.

But they only caught a glimpse of him waving from his limousine.

"He's putting too much money into different countries, but he's not helping the homeless here," said one homeless man in the crowd, Harley Valenta, 30.

"Look at all the money he gave Russia. That was megacash," said Valenta, an unemployed carpenter. He spoke while Bush was in-

side the county-owned hospital touting his health care plan, which is aimed primarily at helping the 35 million uninsured Americans.

No one was arrested during the peaceful protest, which was highlighted by chants of "Money for housing, not war," and "Justice for the homeless."

Members of the American Peace Test, an anti-nuclear group with offices in Las Vegas, displayed signs on the south side of Charleston Boulevard, across from the hospital, including one that said, "Rebuild America. Convert Nevada Test Site."

Stephen Switzer, director of the Homeless Advocacy Project, said, "The idea is we want to see our

resources diverted away from militarism and directed toward things that benefit the country, like housing, health care and jobs."

"We're still testing nuclear weapons. Why are we doing that?" Switzer asked.

Police had cordoned off several blocks of Charleston Boulevard and streets surrounding the medical center while the president visited the hospital from 4:30 to 5:55 p.m.

A large number of non-protesters, two to three times larger than the protest crowd, lined the street until darkness fell to observe the president's motorcade. Many held red, white and blue balloons.

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Jeff Scheid/Review-Journal

UNLV track star Trevaia Williams gets congratulated Thursday by President Bush, who, after jogging 20 minutes on the campus track with the Olympic hopeful, said the heptathlete is No. 1.

U.S. health system praised by president



Jeff Scheid/Review-Journal

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U.S. health system praised by president

By Steve Papinchak
Review-Journal

After touring the University Medical Center, President Bush praised the American medical system Thursday and argued his new health care plan is the best way to curb medical costs while preserving quality.

About 120 doctors, hospital administrators and state dignitaries heard the president push for adoption of a medical plan that would provide vouchers and tax breaks to the poor and low-income wage earners.

Bush had unveiled his medical plan earlier the day in Cleveland.

The reaction to the plan, although polite, was mostly negative at the medical center and throughout Nevada.

Bush's medical initiative was labeled an "insensitive shell game" by the Nevada Hospital Association. The state official in charge of health issues called it "a subsidy to insurance companies," and doctors who treat the uninsured said it will do little for the 35 million Americans who have no health insurance.

Bush, though, praised his plan as the best way to further the "wonder of individual initiative," which he said is a key — and essential — element in high-quality care. This top level of care and the spirit of the American medical industry's doctors and staff members was evident in his tour of the medical center's burn and neonatal units, Bush said.

The president's proposal seeks to boost the existing medical system by reducing cost shifting tied to the recouping of losses from providing unreimbursed care to the uninsured.

This would be accomplished, the president said, by issuing vouchers and tax credits to make it easier for people to get insurance.

Gerald Ash, president of the Nevada Hospital Association,

said Bush's proposal to cap Medicaid, the federal-state medical program for low-income earners, and Medicare reforms for seniors would increase the shortfall in government funding.

Hospitals get 36 cents for every dollar of billed charges for Medicaid patients and 39 cents on the dollar for Medicare patients, Ash said. Those reimbursement rates would worsen under the president's plan, causing cost-shifting increases in charges to other bill payers, Ash said.

State Human Resources Director Jerry Griepentrog, calling the Bush plan nothing more than "a subsidy to insurance companies," also said the proposal would force states to absorb more of the cost of providing health care to the poor.

But Bruce Wiggins, chief operating officer of the University Medical Center, said savings from other aspects of Bush's plan would offset the losses in Medicaid and Medicare funding.

He cited the new income that would be generated by providing insurance to the 20 percent of the Clark County-owned hospital patients who have no medical coverage.

Wiggins also pointed to savings from the less publicized features of the president's proposal, including limits on malpractice lawsuits, incentives for managed care plans and more economical billing practices.

Dr. Robert White, an internal medicine specialist on the medical center staff, said his uninsured patients will not utilize Bush's voluntary plan for obtaining insurance.

"It's more concept than reality," White said of the proposal.

Wally Kurtz, Nevada representative on an American Association of Retired Persons committee that is studying national health plan options, said Bush didn't offer enough.

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