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THE GREEN SHEET SUMMARY OF NEWS CONTENTS FOR WEDNESDAY, FEBRUARY 1, 1995

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Wall St. Jrnl.; 2-1-95 p. 1

World-Wide

THE PRESIDENT OUTLINED a plan to consolidate federal programs.

Clinton's proposal would consolidate 271 federal transportation, environmental and housing programs, and send the funds to the states as 27 "performance partnerships." The savings would total hundreds of millions of dollars, according to administration aides. Nevertheless, Clinton's plan is less aggressive than the massive consolidation already proposed by Republican governors. (Article on Page A2)

Clinton tried to highlight differences between his proposals and those of the GOP, saying, "We want to create opportunity, not just bash government."

* * *

Opponents seized some hope of defeating a balanced-budget amendment in the Senate, as Democratic leaders stepped up pressure on Republicans to divulge how they would balance the budget. The amendment still has a good chance of passing, but a few Democrats are rethinking their past support. (Articles on Pages A6 and A14)

* * *

The nation's governors settled on a compromise welfare reform position that ignores the question of whether benefits should remain an individual "entitlement" required by law to be made available to needy people who qualify, or whether states should be given money to distribute to the poor as they see fit. (Article on Page B2)

* * *

A U.S. **food-safety proposal would force** thousands of meat and poultry processors to revamp their operations at an initial cost of almost $1 billion. The Agriculture Department's plan is expected to provoke a showdown between the administration and GOP lawmakers who oppose costly regulatory initiatives. (Article on Page B1)

* * *

Secretary of State Christopher rejected GOP suggestions that Russia's handling of the war in Chechnya meant that Moscow couldn't be trusted to honor commitments under the Start 2 nuclear treaty, now before the Senate for approval. Sens. Helms and Lugar signaled their support, indicating Republicans wouldn't oppose ratification.

* * *

Ecuador announced it had accepted a cease-fire with Peru over a remote jungle region in which dozens of soldiers have been killed. But Peru kept sending in troops and refused to confirm that it had agreed to a halt in hostilities.

* * *

A House panel approved a measure that streamlines deportation of criminal aliens after they serve sentences and requires the U.S. government to reimburse states for incarcerating them. The Judiciary Committee sent the bill to the full House as Republicans continued their efforts to rewrite the anticrime law enacted last year.

* * *

American commanders believe the Clinton administration has overstated the nation's ability to fight two nearly simultaneous regional wars, a key element of the president's military strategy, a General Accounting Office report said. At issue is a 1993 "Bottom-Up Review" that has formed the basis for planning and budgeting.

* * *

Serbian leader Milosevic snubbed U.S. and Russian diplomats trying to transform a tenuous Croatian truce into a permanent peace treaty. His unexplained refusal to meet with the negotiators appeared to run counter to the expectations of Croatian President Tudjman. Serbia has bankrolled Serb rebels in both Croatia and Bosnia.

* * *

India's prime minister expressed confidence that his economic liberalization steps will continue and could even accelerate. Rao said in an interview that newly elected governments run by opposition parties in two southern states are more enthusiastic about reform than some leaders of his own party. (Article on Page A9)

* * *

Israel demanded that PLO leader Arafat's self-rule government curb Islamic militants and said it would release no prisoners and keep the West Bank and Gaza Strip sealed until then. It also asked the Palestinian Authority to hand over five Palestinians suspected of killing four Israelis.

* * *

Greek archaeologists believe they have found Alexander the Great's tomb in Egypt's Western Desert. But more digging and research will be needed to confirm the discovery of the Macedonian king's grave.

* * *

Canada began legal proceedings to deport four suspected war criminals instead of bringing them to trial, a move that provoked an immediate and angry response from Canadian Jewish leaders.

THE GREEN SHEET

News About the U.S. Department of Health and Human Services

Vol. 42 No. 21 Wednesday, February 1, 1995

N.Y. Times; 2-1-95

Governors Agree Children Must Be Protected No Matter What Shape Welfare Takes

By ROBERT PEAR A19
Special to The New York Times

WASHINGTON, Jan. 31 — The National Governors' Association said today that the states ought to have far more power to design their own welfare programs, but the governors could not agree on how much power the Federal Government should retain.

In any event, they said, "Children must be protected."

At the end of a four-day meeting here, the governors hailed Federal efforts to give them more control over millions of dollars worth of welfare programs. But Republican governors could not obtain the three-fourths majority needed to put the organization on record in support of their proposal to give states a lump sum of money, or block grant, to take care of poor people.

The main Federal-state welfare program, Aid to Families with Dependent Children, created 60 years ago, is an entitlement program. Anyone who meets the eligibility criteria set by Federal and state laws is entitled to monthly cash payments, regardless of the number of people who apply or the total cost. In hard times, when more people are unemployed, the amount of Federal aid automatically increases.

The governors' association adopted a new policy statement saying: "Governors have not yet reached consensus on whether cash and other entitlement assistance should remain available as Federal entitlements to needy families or whether it should be converted to a state entitlement block grant. Governors do agree, however, that in either case states should have the flexibility to enact welfare reforms without having to request Federal waivers."

Gov. Howard Dean of Vermont, the Democrat who is chairman of the governors' association, said, "This policy will allow us to participate in the Congressional debate on welfare reform, but doesn't commit us to a specific course of action."

The association's statement says that "children must be protected throughout this process" if Congress decides to convert the existing welfare program to a block grant.

The governors arrived at their new policy through difficult negotiations after it seemed that partisan disputes might shatter the organization's tradition of bipartisan cooperation. The governors appear to be less ideological and more pragmatic

See WELFARE, p. 2

USA Today; 2-1-95

Showdown on health programs

GOP, Clinton at odds on Medicare, Medicaid

By Richard Wolf
USA TODAY 4A

President Clinton will propose no broad reductions in Medicare or Medicaid in his 1996 budget next week, drawing a line in the sand for Republicans who plan to overhaul both programs as they seek to balance the budget.

Democrats say Clinton won't propose cuts in the health-care programs, because he wants to make clear he only wants to change Medicare and Medicaid as part of a health-care system overhaul.

"There has to be some principle left in the Democratic Party," says Rep. Charles Rangel, D-N.Y.

Clinton's budget will include about $140 billion in spending cuts over five years, with the bulk coming from programs requiring annual appropriations, such as education and housing, rather than payments to the poor and elderly that are a major share of the budget.

Combined with $60 billion in tax cuts, the plan would slash the federal deficit by about $80 billion, a far cry from Clinton's five-year, $500 billion package in 1993.



KASICH: Drop Medicaid entitlement

"They've taken the big ones off the table," says Ellen Nissenbaum of the Center on Budget and Policy Priorities, which lobbies for low-income programs. "Once you take Medicare, Medicaid and Social Security off the table, you're talking about nickels and dimes."

The president's approach differs widely with congressional Republicans, who are planning what House Speaker Newt Gingrich calls a "transformation" of programs.

Potential cuts in Medicare have gotten more attention, but it's in Medicaid, which aids the poor, rather than the elderly and disabled, where the broadest changes are planned.

GOP leaders meeting Monday emerged with a tentative plan to turn Medicaid into a block-grant program run by the states.

The GOP attack on Medicaid would strip recipients of their entitlement to benefits and cap the amount of federal dollars states would receive. Rather than permitting the currently projected 11% annual inflation rate, the GOP is discussing yearly boosts ranging from 5% to 7%. Savings over five years could range from $60 billion to $90 billion.

"We don't want to have it as an entitlement any longer," said House Budget Committee Chairman John Kasich, R-Ohio.

"We'll save money, and (the states) will run the program," said Pete Domenici, R-N.M., head of the Senate Budget Committee.

Former president Ronald Reagan proposed similar caps on Medicaid, but Democrats blocked the plan. This time, Medicaid advocates say, needy recipients could be displaced if states can't manage the smaller increases they'd get.

"It's a dramatic change . . . It is a giant step backwards," said Rep. Henry Waxman, D-Calif.

Gingrich warned of big changes in a speech Tuesday to the nation's governors.

"We could wipe out Medicaid any morning and say, 'Good luck,'" he joked. On a more serious note, he added, "We are prepared to give you enormous grants of authority."

Wash. Times; 2-1-95

Herpes might aid HIV shot

Gene puts limit on vaccine's life A6

ASSOCIATED PRESS

Scientists searching for a safe AIDS vaccine said yesterday they have created one with a built-in time bomb — a gene that will cleanse it from the body on cue.

Researchers believe the most effective AIDS vaccine is likely to be a live virus that will prime the body to mount a spirited reaction to the human immunodeficiency virus, which causes AIDS. But many worry about giving healthy people even a weakened form of HIV because it might cause cancer, immune suppression or even AIDS.

Now a team from the National Institute of Allergy and Infectious Diseases has come up with a novel strategy: a live but weakened AIDS virus that can be killed off once it does its job.

A team led by Dr. Kuan-Teh Jeang created a form of the AIDS virus that carries an extra gene taken from the herpes virus. Because of this gene, cells that become infected with the virus can be selectively destroyed with ganciclovir, a widely available herpes medicine.

"We attempted to improve the safety of an HIV vaccine using a suicide gene," said Dr. Stephen M. Smith, who presented the results at an AIDS meeting sponsored by the American Society for Microbiology.

Dr. Smith said the approach looks promising in the test tube. But much more testing, including extensive use in monkeys, will be necessary before it can be tried on people. He said human studies are at least three years away.

"It's a terrifically imaginative approach and one we need to follow closely," said Dr. William Paul, director of the U.S. Office of AIDS Research.

While other experts at the conference found the idea intriguing, some were skeptical.

Dr. Ronald Desrosiers of the New England Regional Primate Center is one of the country's leading advocates of a live AIDS vaccine. He is developing versions that will produce a chronic infection but not sickness because one or more of their genes have been crippled.

Dr. Desrosiers said he doubts the suicide gene will work. HIV is likely to mutate quickly inside the body and loose the extra gene, thereby making it unkillable, he said.

"When the virus has a gene that it doesn't need, it will just spit it out," Dr. Desrosiers said.

Dr. Lawrence Corey of the University of Washington, a herpes expert, raised the possibility the vaccine wouldn't work in people who have herpes. He worries that the body would kill off an AIDS virus that carries a herpes gene before it could trigger an immune response.

Dr. Paul questioned whether one exposure to the weakened virus would be enough to produce long-lasting AIDS immunity.

WELFARE, from p. 1

than many members of Congress, and they can usually arrive at consensus without great difficulty. Mr. Dean said the governors' experience this week "foreshadows the difficult debate that Congress will have over welfare reform."

In their statement, the governors said states should not be required to put up any of their own money if Congress decided to establish a Federal block grant. Under the current program of Aid to Families with Dependent Children, states must match Federal contributions, and affluent states must put up more of their own money for each Federal dollar.

The 50 states contribute a total of more than $10 billion a year. Under the governors' proposal, there would be no requirement for states to continue such spending, but many governors said they would do so voluntarily.

In back-to-back speeches, President Clinton and the House Speaker, Newt Gingrich, outlined their ideas on welfare and domestic policy generally. Mr. Gingrich, a Georgia Republican, told the governors: "I want to liberate every one of you to sit down with the people of your state, to ask yourself what can we do to save the children today? Not five years from now, not 10 years from now, not after 22 studies — today."

Gov. Thomas R. Carper of Delaware, a Democrat, said, "We don't agree among ourselves as to whether the block grant approach or the individual entitlement is best."

Gov. Tommy G. Thompson of Wisconsin, a Republican, said the bipartisan compromise was "not everything I would like." Mr. Thompson and two other Republican Governors, John Engler of Michigan and William F. Weld of Massachusetts, have proposed consolidating 298 programs worth $119 billion a year into eight block grants. The programs include welfare, food stamps and child nutrition programs.

Donna E. Shalala, the Secretary of Health and Human Services, has denounced the Republican proposal for block grants, saying it "gives each state a fixed pool of money and leaves the states with virtually complete autonomy to decide who gets support and when."

In a recent memorandum to President Clinton, Dr. Shalala said, "Block grants fail to protect vulnerable children, will not result in real welfare reform and will not protect the states from economic changes."

But the governors said Congress could address such concerns. "All additional amount should be set aside each year for automatic and timely distribution to states that experience higher-than-average unemployment, a major disaster or other indicators of distress," their statement said.

The governors endorsed the principle that welfare should be a transition to work and that there should be time limits on the payment of benefits. But they said states should be free to decide the details for themselves.

THE GREEN SHEET

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Balt. Sun; 1-30-95

Poll shows Clinton could beat Gingrich 1A

NEW YORK — President Clinton would defeat House Speaker Newt Gingrich by a wide margin if a presidential vote between the two political rivals were held today, a *Time* magazine poll said yesterday.

The same poll found that if Senate Majority Leader Bob Dole of Kansas were the opponent, Mr. Clinton would lose.

Mr. Clinton's approval rating stood at 51 percent in the poll, conducted after Tuesday's State of the Union address. A *Newsweek* magazine poll released Saturday showed Mr. Clinton with an approval rating of 52 percent, his highest since April.

The presidential poll found Mr. Clinton would get 51 percent against Mr. Gingrich's 31 percent, while Mr. Dole would get 50 percent to Mr. Clinton's 39 percent.

Wash. Post; 2-1-95

Governors Fail to Resolve Structure of Welfare Plan

Difference Centers on Block Grants vs. Entitlements

By Dan Balz
Washington Post Staff Writer 4A

Foreshadowing a potentially contentious congressional debate over welfare reform, the nation's Republican and Democratic governors yesterday failed to resolve basic questions of how to restructure a program all agreed is badly in need of repair.

The National Governors' Association ended its meeting here with an agreement that any welfare reform plan should give maximum flexibility and some clear fiscal protections to the states, and that the goal of a reformed system should be to aid families and children and to move recipients from welfare to work.

But they differed over whether welfare and related programs should be converted into block grants for the states or maintained as an individual entitlement to anyone who qualifies for aid. Republicans strongly favored block grants while Democrats preferred the individual entitlements. The governors' action came after President Clinton and House Speaker Newt Gingrich (R-Ga.) pledged "a new partnership" with the states that would reduce federal micromanagement and give states greater flexibility and responsibility to help solve the country's problems.

But the uplifting rhetoric from Clinton and Gingrich at the concluding session of the NGA's winter meeting could not mask the fact that, after four days of intensive and sometimes testy negotiations, Republican and Democratic governors remained at odds over the future of welfare reform. The governors and their staffs were still hashing out the language of their compromise behind the lectern minutes before Clinton was introduced.

Vermont Gov. Howard Dean (D), chairman of the NGA, said that while things ended on a positive note, "I don't hide the fact that this was a difficult meeting," one that he said "foreshadows the difficult debate ahead." Wisconsin Gov. Tommy G. Thompson (R), who battled with Dean and Democrats throughout the weekend over the NGA policy statement, told fellow governors, "It's not everything I would like." Their compromise policy, which required support of three-fourths of the membership, will allow the NGA as an organization to participate in the coming congressional debate on welfare regardless of the direction the new Congress takes. But it also signaled that governors from the two parties likely will go separate ways in individual lobbying on Capitol Hill. The governors expressed satisfaction in reaching a bipartisan compromise, but few seemed enthusiastic with the result, particularly Republicans who control 30 governorships but did not have the muscle to push through their policy.

Michigan Gov. John M. Engler, Thompson and several other Republican governors have been working with Rep. E. Clay Shaw Jr. (R-Fla.), who heads the House Ways and Means subcommittee that will draft the welfare reform plan in the House. They appear in basic agreement on the need to consolidate more than 300 programs into block grants to the states. Among the programs likely to be affected are Aid to Families With Dependent Children (AFDC), food stamps, various child care and job training programs, school nutrition programs and Head Start.

Democrats like Dean acknowledged the House is heading toward block grants, but argued yesterday that the Senate, with 47 Democrats, might be more amenable to maintaining the individual entitlement structure of the current system, with substantial modifications.

"This is going to be a contentious partnership," Dean said.

The governors' policy statement said if Congress moves to block grants states should have guaranteed funding for five years, protections

Cont'd on next page

USA Today; 2-1-95 4A

NO WELFARE SOLUTION: The National Governors' Association adjourned its four-day winter meeting unable to agree on a unified policy toward welfare reform. The group instead endorsed a set of guidelines for whatever approach Congress decides upon. "No party has a monopoly on what's good for America," said the chairman of the association, Gov. Howard Dean, a Vermont Democrat.



House Speaker Newt Gingrich (R-Ga.) chats with Wisconsin Gov. Tommy G. Thompson, vice chairman of the National Governors' Association.

Cont'd from previous page

against economic recession or natural disasters and incentives that would let them keep some of the money they save through better management. They also said that while states should have flexibility to design their systems, they should recognize national goals of aiding poor children, reducing out-of-wedlock births and encouraging welfare recipients to find work.

A number of Democratic governors were prepared to support block grants, with protections. But several, including Florida Gov. Lawton Chiles, Missouri Gov. Mel Carnahan and Delaware Gov. Thomas R. Carper argued for preserving individual entitlements to prevent Congress from balancing the budget on the backs of the states. If Congress maintains the individual entitlement structure, the governors' policy calls for AFDC to be replaced with a new program with clear objectives and some minimum standards but with flexibility for implementation left to the states. In his speech to the governors, Gingrich pledged to try to get rid of "dumb" laws affecting states, let states keep a portion of the money they save on federal programs, reform laws affecting disposal of federal property and develop a contract with states to identify burdensome federal programs that waste money and program cuts that would save money.

Clinton promised to consolidate 271 federal programs into 27 "partnerships," if Congress approves. He also said the Department of Transportation was announcing 35 new infrastructure projects in 21 states, valued at $2 billion, which he said would rely more on trust and accountability than on rules and bureaucracy. Clinton's program partnerships with the states involve billions of dollars, including about $15 billion to consolidate 70 programs into a previously announced "GI Bill" for worker job training and $20 billion at Transportation to consolidate 30 programs into three partnerships. At the Public Health Service, about $3 billion spread across 108 programs would be converted into 16 clusters.

Staff writer Stephen Barr contributed to this report.

Wash. Times; 2-1-95

Governors can't agree on welfare funding

Block-grant idea worries Democrats

By Peter A. Brown
SCRIPPS HOWARD NEWS SERVICE A4

The nation's governors yesterday failed to agree on whether welfare should remain an open-ended entitlement program or be restricted to a specific sum of money that could run out without covering everyone eligible.

The debate within the National Governors Association, which ended its annual winter meeting here, was much more collegial than the one under way in Congress, which also is debating the overhaul of the welfare system.

Because Governors Association rules require any policy position to have three-quarters support from the governors, neither Democrats wanting to keep the entitlement status nor Republicans wanting to cap the funding prevailed.

Instead, the group of 30 Republicans, 19 Democrats and one independent tried to bridge their wide philosophical differences.

They agreed on an approach that would require beneficiaries to meet certain responsibilities in return for their checks and would limit payments to a set amount of time.

Even Democratic governors agree that the GOP's control of both the House and Senate will mean the eventual legislation will be more likely to lean toward the block-grant approach.

Under the current entitlement approach — similar to the way Social Security and Medicare are handled — everyone who meets the criteria for benefits gets them, regardless of how much it costs the government.

Critics say that provision has allowed the programs to grow out of control, and they favor a block-grant approach under which the states would be given a certain amount of money for welfare, then decide how to spend it.



Photo by CLift Owen The Washington Times

President Clinton accepts a greeting before addressing the National Governors' Association yesterday.

"We don't agree among ourselves whether the block-grant approach or the individual entitlement approach is best," said Delaware Gov. Thomas R. Carper, a Democrat who helped draft the compromise resolution.

The governors' resolution addresses how they would like to see welfare handled, whether or not Congress changes the entitlement status.

Michigan Gov. John Engler, one of the Republican drafters of the compromise position, said that given the political makeup of Congress, "everyone understands" that the references about how to proceed if Congress retains the entitlement status for welfare are "meaningless" and that they were made only to win agreement on a resolution.

Although both Democratic and Republican governors like the idea of increasing state control over welfare programs, which is a central feature of block grants, the Democratic concern lies in the worry that the needy, especially children, could lose out.

"Under block grants you have so much money and when the money is gone it is gone," said Colorado Gov. Roy Romer, a Democrat. "The money runs out under a block grant."

Mr. Carper said the Democrats' concern is that if Congress adopts a block grant approach to welfare "and there is an economic downturn, there are going to be people who will be in need and those needs will be unmet."

In a meeting with the governors earlier this week, Rep. E. Clay Shaw Jr., the Florida Republican who is leading the effort to draft welfare reform legislation in the House, said: "We're not going to let babies starve."

L.A. Times; 2-1-95 p. 1

Clinton Unveils GOP-Style Plan for State Block Grants

By ELIZABETH SHOGREN
TIMES STAFF WRITER

WASHINGTON—Unveiling a style of government cuts favored by Republicans, President Clinton told the nation's governors Tuesday that he plans to consolidate 271 federal housing, transportation, training and health programs into 27 broad grants to be administered by the states.

The White House plan, a central element of the 1996 budget that Clinton will deliver to Congress next week, is clearly designed to compete with proposals in the GOP's "contract with America" that also are backed by many Republican governors. Those proposals would convert several highly regimented federal spending programs into block grants awarded to states with broad discretion on how the money should be spent.

While it is unclear which approach ultimately will prevail, Clinton's initiative gives new momentum to a growing movement to cut bureaucracy in Washington and pass authority back to the states.

"The federal government has worked in one way for decades; now it is time to try a new way," Clinton said at the annual meeting of the National Governors Assn.

His proposal targets programs ranging from homeless assistance to transportation grants that account for about $65 billion of the $250 billion in domestic discretionary spending in Clinton's budget, according to Lawrence J. Haas, spokesman for the White House Office of Management and Budget.

Cont'd on next page

from previous page

Haas described the effort as a "major thrust" of the budget and said that it would save "hundreds and hundreds of millions of dollars" in administrative costs.

Additional proposals to make government more performance-oriented and to shift authority to the states will follow later in the year, Haas said.

The President made his announcement as he and House Speaker Newt Gingrich (R-Ga.) jockeyed to appear responsive to the governors' calls for a transfer of power from Washington to the states.

In a speech to the governors, Gingrich pledged: "I want to liberate every one of you" to experiment with welfare reform.

"We know the current system is failing, and we know that in failing it is destroying Americans," Gingrich said.

House Republicans, lead by Gingrich, are pushing a proposal to convert many federal programs for the poor into lump-sum payments given to states with broad discretion on how to serve needy residents.

The President's version differs from Republican proposals because it sets up a system of accountability by requiring performance standards. States that perform well would be rewarded with increases in funding, and states that do poorly would see their funds reduced, Haas said.

"This new concept is in essence designed to strike a bargain with states, localities and the private sector," Haas said. "The bargain is this: We will offer more flexibility to allow these providers to address problems that they know best. In exchange, we are going to work with them on insuring accountability for the way the money is spent."

Later in the day, the governors agreed to disagree on welfare reform. They agreed, however, that states should have more leeway to pursue their own welfare reform strategies.

But they failed to reach consensus on whether Aid to Families With Dependent Children, the main cash welfare program for families, should remain an entitlement or become a state block grant program.



Reuters

President Clinton addresses nation's governors.

Under an entitlement program, every family qualifying for the aid receives it. Under the proposed state block grants, federal money would be split among states based on a formula—and the federal government no longer would guarantee assistance to all needy Americans.

Democrats objected, arguing that ending entitlements would subject the poor to economic fluctuations because states would have difficulty meeting rising demands in a recession. But Republican governors and members of Congress countered that unanimous support of governors is not necessary. Republicans hold governors' mansions in 30 of the 50 state

Perhaps the loudest proponent of the block grant approach has been Michigan Gov. John Engler. During a news conference Saturday with leading governors, members of Congress and Administration officials, Engler unrolled a massive scroll containing the names of hundreds of programs. All should be combined into a few block grants to the states, he said.

Clinton referred to those theatrics in his speech to the governors.

Next week the Administration intends "to announce plans that we've worked on for months to consolidate 271 programs into 27 performance partnerships, and a lot of those were on Gov. Engler's list," Clinton said. "I'd like to help him cut it shorter."

In an interview later in the day, Engler called the President's initiative a "step in the right direction."

"He jumped into the caboose today, and we want to get him up to first class," Engler said. "It's a beginning. I certainly hope he does not stop there."

The federal government must go further in passing authority to the states, he said, because under current federal management the states are "choking on regulations."

Engler and conservative analysts said the new environment in Congress was clearly the impetus for the President's initiative.

Administration officials, however, said that the block grant strategy predated the election and sprang from their "reinventing government" efforts, which were launched long before the election.

"I think it is fair to say that the election crystallized the anger across the country to the way government was or was not working," Haas said. "But it's a bold new direction, and it would be unfair to take it out of context and see it as 'me too-ism.' You could say we were here first."

Some Administration officials who watched Engler roll out his list on television said they were elated to see it because they knew the President's proposal was along the same lines.

"We all said, 'Ha, ha, ha. We're way ahead of you,'" recalled Elaine Kamarck, a senior White House official who worked on the reinventing government proposals.

N.Y. Times; Balt. Sun; 2-1-95

Clinton Tells Governors of Plan to Consolidate Federal Grants

By DOUGLAS JEHL
Special to The New York Times

WASHINGTON, Jan. 31 — President Clinton said today that the budget he would send to Congress next Monday would propose collapsing 271 Federal grant programs worth $50 billion into just 27 and allow the states more latitude on issues from housing to health care.

The proposal, which the President outlined at a meeting of the National Governors' Association here, extends well beyond the shrinkage that he recommended last month, after the November elections gave Republicans control of Congress. The plan would consolidate Federal grant programs within the Departments of Health and Human Services, Housing and Urban Development, and Transportation into broad new funds, and would allow the states more freedom in deciding how to spend the money. It would also reward states whose programs proved most effective.

"The Federal Government has worked in one way for decades," Mr. Clinton told the governors this morning. "Now it is time to try a new way, a way that is proven in its performance in the private sector."

The themes that the President struck echoed those sounded by the House Speaker, Representative Newt Gingrich of Georgia, who addressed the governors earlier in the day. Nevertheless, the two presentations set the stage for a battle beginning next week between the Democratic White House and the Republican Congress in which the two sides agree that the Government should be pared down but will almost certainly be at odds over how best do it.

The White House has already said that Mr. Clinton's budget would call for the elimination of 130 programs and agencies, including the Interstate Commerce Commission and the National Helium Reserve. In hopes of preserving some element of surprise for a budget that will be very much a political document, neither the President nor his aides would say today exactly what would be cut, but a fact sheet issued by the White House named the 27 broad funds that Mr. Clinton would establish as "performance partnerships."

They include funds that make money available to the states to care for the homeless, to fight drug abuse and AIDS, and even to build highways, a mission in which Mr. Clinton said that public agencies should adopt the kinds of financing mechanisms used by businesses.

Lawrence J. Haas, associate director for communications at the Office of Management and Budget, said these consolidations alone would save the Government hundreds of millions of dollars in the next fiscal year. But Mr. Haas also offered a preview of the Administration's defense against what is expected to be a Republican quest for far deeper budget cuts.

"The bottom line is not savings," he said of the President's proposal today. "It is flexibility and accountability and efficiency."

As an example of that approach, Mr. Clinton pointed to an announcement today by Transportation Secretary Federico F. Peña of a plan to use innovative financing to raise nearly $2 billion to build roads, bridges and other transportation systems as part of 35 projects in 21 states.

"We wouldn't have any of these projects if we had followed the old rules and allowed them to get in the way of innovation," Mr. Clinton said.

In his address today Mr. Gingrich, like the President, said he believed that Washington should work more closely with the governors and that the new Republican-led Congress should enter into "a contract with the states."

He said the Federal Government should give states broad new powers over welfare programs and Medicaid. But in return, he added, states would have to manage with less money for those programs.

Wall St. Jrnl.; 2-1-95

Governors Accept Welfare-Reform Plan That Bypasses Fundamental Question

By HILARY STOUT
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — After three days of partisan discord, the nation's governors settled on a compromise welfare-reform position that ignores one of the central and most contentious elements in the legislative debate.

The National Governors Association couldn't agree on the fundamental question of whether welfare benefits should remain an individual "entitlement" required by law to be made available to all needy people who qualify, or whether states should simply be given a pot of money to distribute to poor people as they see fit. So moments before adjourning their annual convention yesterday, the governors agreed to a compromise that simply calls on Congress to grant states maximum flexibility regardless of which course it takes.

The association had hoped to speak with a strong, united voice in the welfare-reform debate, as it had in 1988 when then-Arkansas Gov. Bill Clinton led its negotiations with the Reagan administration and the Democratic congressional leadership over the Family Support Act. But this year's meeting was unusually fractious and the association was unable to muster the required three-fourths majority vote needed to adopt a more pointed policy.

To a large extent, the divisions among the governors reflect the political environment in Congress and foreshadow a bitter welfare debate on Capitol Hill. Both within the governors' association and in Congress, Democrats suddenly find themselves in a frustrated minority and Republicans in a cocky majority.

A number of Republican governors, who have been negotiating with their GOP colleagues in the House to lump scores of welfare programs into a few "block grants" to states, generally dismissed the association's position as irrelevant. "We're in a block-grant world," said Gov. John Engler of Michigan, a Republican.

But Democrats, afraid of being shut out of the debate, were relieved to have arrived at some united position. "My personal concern was that without this agreement there was a tendency for Republican Congress members to reach out to Republican governors alone," said Democratic Gov. Roy Romer of Colorado. "What this does is position this organization to be at the table."

The House Republican leadership has put welfare-reform legislation on a fast track and hopes to bring a bill to the House floor by March. The Senate is moving more slowly, and some of its Republican leaders already have expressed reservations about elements of the House bill, such as provisions that would deny benefits to legal aliens and unmarried teenage mothers.

Democrats hope the Senate will be a moderating force. "The House may not be swayed, but in the Senate there may be more give and take," Gov. Romer said.

Behind the disagreement over the structure of welfare programs lies the main issue: money. Republican governors have said they would accept a five-year freeze in welfare spending in return for the flexibility of a block grant. Democrats have warned that such a cap could take many needy people, most of them children, off the public-assistance rolls.

But the GOP governors may become increasingly unhappy as the debate plays out. The House Republican leadership is counting on saving $40 billion over the first five years of the new welfare reforms. It needs that money to finance other priorities, such as tax cuts and deficit reduction

Wash. Post; 2-1-95

Some Antiabortion Activists Question Consequences of GOP Welfare Reform

By Laurie Goodstein
Washington Post Staff Writer

Liberal opponents of welfare reforms proposed in the Republicans' "Contract With America" are finding allies in traditionally conservative quarters: antiabortion advocates who believe that denying welfare to pregnant teenagers and mothers will result in more abortions.

"The typical client of a crisis pregnancy center is young and unmarried and often comes into the center with no idea how she is going to cope economically with that pregnancy," said David O'Steen, National Right to Life Committee executive director, at a briefing yesterday on Capitol Hill. "To increase the pressure on her . . . we feel will increase abortion."

Yesterday, representatives of the U.S. Catholic bishops, Catholic Charities and Feminists for Life joined the National Right to Life Committee in saying that certain changes in welfare proposed in the GOP contract will not deter low-income women from getting pregnant, but will discourage them from carrying those pregnancies to full term.

In particular, they criticized the "child exclusion" and "family cap" proposals, which would disqualify pregnant women for benefits if they either are under 18, already have a child on welfare, did not legally establish the child's paternity, or have been on welfare themselves for more than two years.

Economics are influential in the decision to abort, said Helen Alvare, information director of the U.S. Conference of Catholic Bishops' Secretariat for Pro-Life Activities. When women were asked in a 1988 study why they chose to have an abortion, the reason they cited as "most important" most often was that they could not afford a child, Alvare said. The study was done by the Alan Guttmacher Institute, a research organization on reproductive issues.

The debate over changing the welfare system has revealed a schism among allies in the antiabortion movement. Some groups opposed to abortion are nevertheless supporting the contract's welfare proposals as a means of cutting down on out-of-wedlock pregnancies.

"You have competing social policy desires here: discouraging illegitimacy and at the same time not encouraging abortion," said James A. Smith, director of government relations for the Southern Baptist Convention's Christian Life Commission, which has not taken a position on welfare reform. "Many Southern Baptists believe that the most fundamental change that government needs to make is in the way that welfare is run and distributed."

The issue was controversial among antiabortion leaders in town for the annual March for Life last week, some of those leaders said.

Ralph Reed, executive director of the Christian Coalition, whose members are lobbying in favor of the contract, said that "the Catholic bishops raise a legitimate concern." But the organization does not advocate abolishing welfare without replacing it with effective programs run by the states and private charities, Reed said. The groups disagree about strategy, he said, but "it's safe to say that we share the same goal, and that is to replace a culture of illegitimacy and dependency with a culture of hope and opportunity and respect for life."

Concern about abortion has created an uncomfortable dilemma for some legislators. Freshman Rep. Jim Bunn (R-Ore.) announced to applause at yesterday's session that because of his convictions about abortion he refused to sign the contract. It is an awkward position for a freshman Republican, Bunn said, but after talking with welfare mothers, he said he realized "it is very very clear the contract does not realistically meet their needs."

Wall St. Jrnl.; 2-1-95

Thirteen Cancer Hospitals Are Forging Network in Bid to Compete for Patients

By Ron Winslow B10
Staff Reporter of The Wall Street Journal

Thirteen leading cancer hospitals in the U.S. are forging an alliance to compete for patients in a health-care marketplace increasingly dominated by health maintenance organizations and managed-care concerns.

The plan is a powerful indication of the economic pressures facing the nation's premier medical institutions as they strive to support teaching and research enterprises amid the sweeping cost-cutting under way in the health-care system.

"If the trend of financially based medical care continues to its logical extremes, our missions are threatened," said Joseph V. Simone, physician in chief at Memorial Sloan-Kettering Cancer Center, New York, one of the leaders behind the network. The same trend threatens the quality of care for cancer patients and research into new treatments, he maintained.

Some Are Left Out

Members of the network are among the most prestigious names in cancer care, including Dana Farber Cancer Institute, Boston; Fred Hutchinson Cancer Research Center, Seattle; M.D. Anderson Cancer Center, Houston, and Johns Hopkins Oncology Center, Baltimore. As competing regional health-care systems emerge in markets around the country, even these academic-oriented medical centers worry about being left out or being offered only a minor role, partly because their costs are too high.

"If you're not part of one of those major groups, the assumption is you would simply be without a significant patient flow," said Robert Young, president of Fox Chase Cancer Center, Philadelphia, another participant in the venture, called the National Comprehensive Cancer Network.

At Sloan-Kettering, for instance, while admissions are currently strong, so is the number of patients who come in for second opinions only to say their managed-care plan requires them to get treatment elsewhere. "We think we're being used," Dr. Simone said. And seeing a patient only once undermines treatment, teaching and research at the institution, he added.

Developing Uniform Standards

A major goal of the network is to develop uniform standards and guidelines for treatment of a variety of cancers in an effort to improve both quality and cost-effectiveness of care. In particular, members plan to share strategies for reducing treatment costs.

The network leaders say they won't necessarily compete by undercutting prices charged by smaller, community cancer centers. But they believe the use of guidelines developed and backed by such brand-name institutions as well as access to "state-of-the-art care and research" offers value to managed-care insurers and employers that is worth "a modest premium," Dr. Young said.

The network also plans to develop standard contracts for services ranging from comprehensive preventive and treatment care to specific treatment such as bone marrow transplants. It will also act as a marketing organization to make it easy for large customers to do business with several members at once. Pricing is expected to vary among the members and will be set by each individual center.

Outsiders say the cancer network faces several obstacles. A consistent approach to treatment "requires 13 different academic groups to agree on something," observed Lee Newcomer, medical director at United HealthCare Corp., a Minneapolis managed-care company. "For them to execute that is going to be a huge task."

Then, Dr. Newcomer added, they have to persuade their doctors to comply with the standards and be measured by their results.

The network is being based in New York. Other members are City of Hope National Medical Center, Duarte, Calif.; St. Jude Children's Research Center, Memphis, Tenn., and cancer programs at Northwestern University, Ohio State University, Stanford University, the University of Michigan and the University of Nebraska.

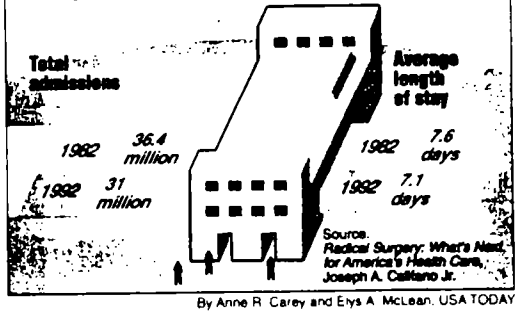
USA Today; 2-1-95 p. 1

USA SNAPSHOTS®

A look at statistics that shape the nation

Hospital stays in decline

About two-thirds of community hospital beds are full on an average day. How their business is changing:



By Anne R. Carey and Elys A. McLean, USA TODAY

USA Today; 2-1-95

Cancer rates up mainly due to early detection

By Doug Levy 2D
USA TODAY

Better screening tests are picking up more cancers at earlier, more treatable stages, but lung cancer remains a top killer due to smoking, says a new National Cancer Institute study on cancer trends.

Overall cancer rates went up 19% for men and 12% for women from the mid-1970s to the early 1990s. But much of the increase reflects improved detection, not a jump in the actual number of cases. Cancer deaths in the period went up 3% in men and 6% in women.

Before sophisticated blood tests and X-rays, doctors often couldn't find a cancer tumor until it was too late to cure.

"With earlier diagnosis, we hope the mortality rates will decline" in years ahead, says epidemiologist Susan Devesa, who led the study.

Because average survival after breast cancer diagnosis is 17 years, Devesa notes that it may be awhile before death rates reflect improved survival. The same may be true of prostate cancer.

Devesa also concludes that pollution isn't emerging as a major cancer factor.

The report also found:

▶ Non-Hodgkin's lymphoma and Kaposi's sarcoma are up more than 60% due to AIDS.

▶ Skin cancer rates are up 66% due to sun exposure.

▶ Reasons for kidney, testicular and brain cancer increases aren't clear and may be environmental.

In an editorial accompanying Devesa's report in the *Journal of the National Cancer Institute*, Drs. Philip Cole and Warren Sateren of the University of Alabama at Birmingham say the data show cancer will "recede into the background" as a public health problem in the next 50 years.

N.Y. Times; 2-1-95

Americans Want Government To Keep Children From Smoking

By PHILIP J. HILTS A18
Special to The New York Times

WASHINGTON, Jan. 31 — A large majority of Americans favor Government bans on cigarette vending machines and on coupon promotions, to help prevent children from smoking, a poll released today shows.

The national telephone survey financed by the Robert Wood Johnson Foundation, a philanthropic organization working on health issues, asked 2,345 Americans what tobacco regulations, if any, they would like the Government to enact.

Nancy Kaufman, vice president of the foundation, said the poll found "that a broad cross section of Americans, Republicans and Democrats, conservatives and liberals, men and women, across all regions, want to do something about kids' smoking."

The survey of people 18 and older was conducted by Mathematica Policy Research of Princeton, N.J., from Oct. 5 to Nov. 3, 1994, during the last four weeks of the election campaign. The margin of sampling error was plus or minus three percentage points.

The most popular of the proposals offered were requiring clerks to check the identifications of those buying cigarettes, an idea endorsed by 94 percent of respondents; banning cigarette vending machines that are accessible to children, 91 percent, and banning free samples on public streets, 88 percent. Also popular were requiring tobacco companies to reduce the amount of nicotine in cigarettes gradually, 79 percent support; keeping tobacco products behind the counter to prevent shoplifting by children, 78 percent; banning all cigarette vending machines, 74 percent, and banning coupon promotions for accessories like T-shirts, 70 percent.

Banning billboard advertising of cigarettes drew support from 59 percent, banning advertising of tobacco at sporting and other entertainment events was favored by 55 percent, and banning all tobacco advertising in newspapers and magazines was endorsed by 51 percent.

Not receiving support from a majority of respondents were proposals to restrict cigarette sales to those 21 and older, 49 percent; to require plain packaging to make cigarettes less attractive to children, 47 percent, and to allow cigarette sales only in certain stores, as is done with alcohol, 46 percent.

Over all, 92 percent of the people questioned said they believed nicotine addicts smokers. Among those who smoke and have no plans to quit, the figure was 85 percent.

Cancer Cases Up, but Future Isn't Bleak

Changing Cancer Risks: Selected Types

A new analysis has found that while more cancer is being diagnosed, death rates are holding steady or dropping. Researchers compared the number of cancer cases and deaths in different age groups in the United States during two periods: 1975 through 1979 and 1987 through 1991. Below are changes in incidence and mortality from the first period to the second.

MEN

Type of cancer	Incidence per 100,000	% change, '75-'79 to '87-'91	Mortality per 100,000	% change, '75-'79 to '87-'91
Prostate	121.2	65.6%	23.6	14.0%
Non-Hodgkin's lymphoma	18.6	60.3	7.9	31.7
Skin cancer, (except melanoma)	7.3	812.5	1.2	20.0
Melanoma	14.5	66.7	3.4	30.8
Bladder	32.3	11.0	5.8	-19.4
Kidney	12.2	25.8	5.0	11.1
Colon	40.4	5.5	20.0	-2.9
Lung	82.2	2.5	73.3	9.4
Brain and nervous system	7.9	12.9	5.4	8.0
Testes	5.1	34.2	0.3	-50.0

WOMEN

Type of cancer	Incidence per 100,000	% change, '75-'79 to '87-'91	Mortality per 100,000	% change, '75-'79 to '87-'91
Breast	113.2	30.1%	27.2	1.9%
Lung	41.5	65.3	30.9	75.6
Melanoma	10.9	41.6	1.7	6.3
Non-Hodgkin's lymphoma	12	34.8	5.2	26.8
Kidney	6.1	38.6	2.3	15.0
Brain and nervous system	5.7	16.3	3.7	8.8
Thyroid	6.4	12.3	0.3	-40.0
Skin cancer, except melanoma	0.8	100.0	0.4	0
Larynx	1.7	21.4	0.5	25.0
Liver	1.5	25	1.7	13.3

Source: Journal of the National Cancer Institute

By JANE E. BRODY

THE news about cancer is both good and bad, a new analysis shows: more of it is being diagnosed, but death rates are holding steady and in some cases are even declining, especially among younger Americans. And despite a widespread belief to the contrary, there is no evidence of a cancer epidemic.

The analysis, published in today's issue of The Journal of the National Cancer Institute, is the most detailed and comprehensive look yet at recent trends in cancer incidence and mortality in the United States. The trends for 28 cancers in men and 30 cancers in women suggest that even while more cancers are being diagnosed, people treated for cancer are living longer. The latest data also reveal that in the first two years of this decade, death rates from cancer in the United States declined for the first time since records have been kept.

The analysis was prepared by Dr. Susan S. Devesa, an epidemiologist and biostatistician, and her colleagues at the National Cancer Institute in Bethesda, Md. These were among the major reasons they found for the rise in the incidence of cancer:

¶Improvements in cancer screening and early diagnosis, which have contributed heavily to increases in the numbers of cancers of the breast, prostate and brain that are diagnosed.

¶Smoking, which has resulted in a rise in related cancers, especially lung cancer in women and bladder cancer in men.

¶Increased exposure to the sun, with an accompanying increase in melanomas.

¶The AIDS epidemic, which has led to a rise in cancers like non-Hodgkin's lymphoma and Kaposi's sarcoma.

People treated for cancer are living longer.

While the researchers found there was no reason to suspect that increases in common cancers like those of the breast and prostate are in any significant way the result of exposure to cancer-causing substances in the environment, they noted that for other cancers, "some trends remain unexplained and might reflect changing exposures to carcinogens yet to be identified and clarified."

One of Dr. Devesa's co-authors, Dr. William J. Blot, an epidemiologist now working for the International Epidemiology Institute Inc., a research and consulting firm in Rockville, Md., said the rise in non-Hodgkin's lymphoma, the cancer that killed Jacqueline Kennedy Onassis, while partly explained by its association with AIDS, was also possibly influenced by environmental exposures. But, he added in an interview, "lymphomas are relatively minor types of cancer."

Another co-author, Dr. Joseph F. Fraumeni Jr., an epidemiologist at the cancer institute, said it was possible that environmental factors might be involved in increases in cancers of the brain, liver, testicles and kidneys, but he added that what these might be was not known.

As for breast cancer, the rise in tumors that are stimulated by estrogen, but not in those that do not respond to estrogen, "suggests that some hormonal factor may be involved," Dr. Fraumeni said. He listed as possible external influences the use of contraceptive and menopausal hormones and exposure to estrogen-like compounds in plants and to chlorinated hydrocarbons that act like estrogens.

Still, the research team concluded, "Increasing exposure to general environmental hazards seems unlikely to have had a major impact on the overall trends in cancer rates." But the team added, "Rising rates for certain tumors have been clearly influenced by changing exposures to tobacco smoking, H.I.V. infection and sunlight."

The researchers' analysis compared the number of cancer cases and deaths per 100,000 people in different age groups during two periods: 1975 through 1979 and 1987 through 1991. Although the data represent only those cancers that occurred among whites in this country, the researchers did examine rates in other groups and said, acknowledging some exceptions, that "patterns among blacks generally resembled those among whites."

During the time span studied, cancer incidence, adjusted for age, rose by 18.6 percent among men and by 12.4 percent among women. Prostate cancer contributed most heavily to the increase in cancers among men. The researchers attributed all or nearly all of this rise to wider detection of early cancers through the treatment of benign prostate disease and the use of a highly sensitive blood test for prostate-specific antigen, or P.S.A.

Other major contributors to the rise in cancers in men were non-Hodgkin's lymphoma and Kaposi's sarcoma in men with AIDS, and melanoma. Among young men, there was a rise in cancers of the oral cavity and throat, which might be related to their increased use of smokeless tobacco and alcohol.

Among women, increased rates of breast and lung cancers accounted for the overwhelming majority of the rise in the incidence of cancer. The researchers said the ever-widening use of routine screening mammography was mainly responsible for the 30.1 percent rise in breast cancer incidence. Mammography is picking up many early cancers that might not have become clinically apparent for several years.

Dr. Philip Cole, an epidemiologist at the University of Alabama School of Public Health who commented on the study in an editorial in the same issue of the journal, added that changes in reproductive habits, namely a tendency to delay childbearing and to have fewer children, were also likely factors in the rise in breast cancer. As for lung cancer, the researchers cited cigarette smoking as the main cause of the 65.3 percent increase in incidence in women. By contrast, lung cancer rose by only 2.5 percent in men, many more of whom have quit smoking in recent decades.

As for cancers on the decline, the analysis showed that the largest decrease occurred for cancer of the uterus, a decline that the researchers related to the now-standard practice of adding progesterone to the estrogen used by millions postmenopausal women. Stomach can-

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USA Today; 2-1-95

Exercise many options for health

By Nanci Hellmich
USA TODAY

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If you hate formal exercise, no sweat. You now have official physical activity guidelines of your own.

You can dance the night away, pedal a stationary bike while you watch TV or run relay races with the kids. Just get up and move.

New exercise recommendations from two key groups encourage every adult to accumulate 30 minutes or more of moderate-intensity physical activity on most days of the week.

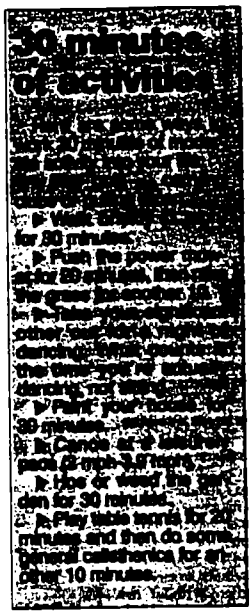
The activities, which might include gardening and housework, can be done in short spurts — eight minutes here, 10 minutes there — for a total calorie expenditure of 200 calories a day, says an expert panel convened by the Centers for Disease Control and Prevention and American College of Sports Medicine. By doing this, adults will get substantial health benefits.

Studies indicate that regular physical activity decreases risk of coronary heart disease, osteoporosis and other diseases.

The new guidelines, outlined in today's *Journal of the American Medical Association*, were first announced in July 1993, but now there is more research to back them up, experts say.

The recommendations are meant to complement and not supersede other fitness guidelines, says Russell Pate, an exercise expert at the University of South Carolina, Columbia.

Standard fitness guidelines have urged people to get 20 to 60 minutes of continuous aerobic activity three or more times a week and to do weight training at least twice a week.



"Those who are currently involved in structured, vigorous exercise programs should continue with that," Pate says. "But for those who are sedentary, we hope the new recommendation will be attractive."

Research shows that only 22% of adults are active enough; 54% are somewhat active and 24% are sedentary.

Critics have charged that the panel watered down the recommendations because so few people meet the other guidelines. Counters Pate: "It's another way to package a physically active lifestyle."

Whether you get even more health benefits from a vigorous exercise program needs to be studied further, he says.

Wash. Times; 2-1-95

Apeeling to couch potatoes

A little exercise can be a big help

CHICAGO (AP) — People too busy, too lazy or too bored to exercise for a half-hour straight can still get major health benefits from minor stints of moderate activity scattered over the day, experts say.

Walking briskly, climbing a flight of stairs or two, playing with children, gardening or cleaning house all can count toward reducing your risk of heart disease and other long-term health problems, they say.

The key is to make the activity at least as intense as brisk walking, accumulate at least 30 minutes of it daily and do it virtually every day, according to an expert panel convened by the Centers for Disease Control and Prevention and the American College of Sports Medicine.

The panel reviewed research on exercise and made its recommendations in today's issue of the Journal of the American Medical Association.

"We've got so many people in our society that are just dead sedentary," said the report's lead author, Russell R. Pate, chairman of exercise science at the University of South Carolina's School of Public Health. "The message for those folks is get more activity, regardless of how it's packaged."

The authors were careful to point out that good health resulting from an active lifestyle is different from physical fitness. Moderate activity will not produce the capacity for hard physical work or play but will promote general health, they said.

Millions of Americans — about one in five — still get no significant physical activity, Mr. Pate said.

Studies indicate that at any fitness level, the more activity the better. But the least-active people who modestly increase their activity stand to gain the most, they said.

Society can promote more physical activity by doing such things as putting attractive staircases at easy-to-use locations in buildings instead of tucking them away in hard-to-find, dimly lit places, Mr. Pate said.

John O'Leary, a spokesman for the President's Council on Physical Fitness and Sports, said, "We're happy about this coming out. We hope that the message from this really ripples its way through."

One exercise researcher who was not involved in the work agreed that sedentary people would benefit from the types of moderate activity recommended. But he disagreed with the conclusion that sedentary people have more to gain by increasing activity levels than people who are already highly active.

"They're showing something like a 12-fold greater benefit in the sedentary group than in the active group, and I think the data on that are lacking," said Paul T. Williams, a scientist at Lawrence Berkeley Laboratory in Berkeley, Calif.

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cer, which has been declining for decades, continued to fall, "most likely related to improvements in diet, including availability of fresh fruits and vegetables, better methods of food preservation," including refrigeration. They also cited a lowered prevalence of infection by Helicobacter pylori, the bacterium that is now known to cause ulcers and to play a role in stomach cancer.

Based on this detailed look at the changing rates of individual cancers, Dr. Cole predicted that the new findings belied the prospect of a cancer epidemic, which he said had been predicted for more than 20 years. Dr. Devesa's findings "suggest that it will not occur," he wrote.

During the time span studied, overall cancer mortality rates rose by 3 percent for men and by 6 percent for women. However, except for lung cancer, which is still a highly lethal disease that kills more than twice as many Americans as does any other cancer and thus has an inordinately large effect on overall rates, mortality rates for the major-

The numbers don't show an epidemic.

ity of cancers remained steady or declined during the study period. In fact, among men and women under 55, overall cancer mortality has declined. Only among older people have cancer death rates risen.

And in the two years following 1990, which represents the latest available data, "there was actually a significant drop in cancer mortality for the first time in history," Dr. Cole said in an interview. The overall rise in cancer mortality is "a relative one due to the fact that deaths from cardiovascular diseases are dropping much faster than deaths from cancer."

Heart disease is still the nation's leading cause of death, but from 1979 to 1992, the death rate from heart disease declined by 27.7 percent, and Dr. Cole predicted that by the turn of the century cancer would surpass it as the leading killer of Americans, "even as its overall mortality rate declines." But it will take the lead only temporarily. Dr. Cole predicted that cancer's supremacy as a killer would fade early in the next century as progress continues to be made in cancer prevention and early detection and in treatments that can cure cancer or keep it at bay for many years.

In his editorial, Dr. Cole noted that "many of the advances made in cancer therapy during the last 30 years have been effective but not necessarily curative." He added that "such therapies would postpone death and thereby produce the pattern described" of declining cancer mortality among young and middle-aged adults but increased mortality among the elderly.

But he concluded that "in the long term, prevention will play the major role in controlling cancer, as it has for many of mankind's plagues."

Balt. Sun; 1-28-95 p. 1

Benefit cutoff sought for 200,000 children

House GOP 'point man' wants them off rolls

By John B. O'Donnell
and Jim Haner
Sun Staff Writers

WASHINGTON — The Republican "point man" on changing the Social Security disability program for children proposed yesterday to cut 200,000 of them from the rolls immediately.

Calling the Supplemental Security Income plan "a well-intended, but badly designed and abused federal welfare program," Rep. Jim McCrery of Louisiana said at the first of three House Ways and Means subcommittee hearings on disability aid that he wants to end cash payments to all but the most severely disabled of the 900,000 children who get $5 billion a year.

And, he said, he wants Congress to overturn the 1990 Supreme Court decision, Sullivan vs. Zebley, that required Social Security to do "individual functional assessments" of many children to see if they were behaving on a par with others their age — and to drop 200,000 of them who have won benefits through such tests.

Witnesses testified yesterday that the tests are highly subjective and involve Social Security in hair-splitting decisions in some cases that result in marginally disabled or dysfunctional children getting cash benefits for behavioral or psychological problems.

The children's rolls have tripled since 1989 — with a third of the growth attributable to the Zebley-ordered tests. The rest are the result of an expanded list of medical and mental problems.

> *"They're getting ready to take drastic action based on all these anecdotal reports of abuse. But they haven't documented or quantified a damn thing."*
>
> **JIM GARDNER**
> **La. children's advocate**

In a series of articles earlier this week, *The Sun* examined the explosive growth in the disability rolls for children, aliens, drug addicts and alcoholics. After two decades of rule changes and lax administration by Social Security, SSI and the companion Disability Insurance plan are paying out $65 billion a year.

That figure is expected to reach $96 billion by 1999.

Meantime, with advocates for the program's recipients packing the hearing room and questioning Republican intentions, House

Cont'd on next page



BARBARA HADDOCK TAYLOR/SUN STAFF PHOTO

Karen Higginbotham of Louisiana tells the committee that the loss of federal disability benefits would mean her 6-year-old daughter, Alison, would have to be institutionalized. Alison was one of a dozen disabled children to attend the hearing. (Article,6A)



Dear Abby
Abigail
Van Buren

Chgo. Trib.; 1-27-95

Lump proves value of a 2nd opinion

Dear Abby: Thank you for furthering the education of your readers regarding the necessity of breast self-examinations. I am 37 years old, with no history of breast cancer. Upon feeling a lump in my breast a year and a half ago, I went to my Ob/Gyn doctor. She felt the lump and said, "Don't worry. It's nothing."

I trusted her judgment and ignored the lump for eight months, until I started to feel a dull pain in that area. I went to my family doctor who said, "It's probably nothing, but I'm ordering a mammogram just to be safe." The mammogram showed a growth, which unfortunately turned out to be cancer.

Since then, I have undergone chemotherapy and have just started radiation therapy. I have learned that many other women have not been given mammograms, or otherwise had their lumps examined via needle aspiration.

Abby, please let your readers know that sometimes they have to take their health needs into their own hands, and ask—no, demand—mammograms when a lump is discovered. A misdiagnosis can easily mean the difference between life and death.

Now, I regret relying on my first doctor's diagnosis. Sometimes when a doctor says, "Don't worry, it's nothing," we are so relieved, we forget that doctors are human and make mistakes. Mine did and time will tell if her misdiagnosis has meant the difference between life and death for me.

Learned the Hard Way

Dear Learned: Thank you for sharing your experience in order to help other women. Your case clearly illustrates the importance of a second opinion. Patients should never hesitate to confirm a diagnosis. Please write again. Meanwhile, you are in my prayers.

Dear Abby: My daughter, "Sarah," is a part of a circle of friends—male and female—who have remained close friends all through school. "John" became engaged to a woman who had not been a part of the original group.

Sarah was shocked and hurt when she learned, months later, that she had not been invited to John's wedding.

I ran into John shortly after that, and he gave me a big hug. When I told him how hurt Sarah was because she hadn't been invited to his wedding, John said, "It was my wife's big day, and I deferred to her decision."

Then I said, "That's odd; I would have thought it was your big day too."

Abby, I believe John's wife wanted to exclude a person she perceived as a potential rival and she succeeded. I told Sarah I thought John's bride was petty and mean-spirited, but John will probably soon figure it out on his own.

Abby, why do you think my daughter wasn't invited to John's wedding?

Simmering in Seattle

Dear Simmering: The reason she wasn't invited to John's wedding is immaterial. However, for you to have put John on the spot by telling him how "hurt" your daughter was to have been excluded from his wedding was tactless.

SSI: Cutoff pushed for children

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Speaker Newt Gingrich insisted in an interview that SSI "needs to be completely rethought."

"The House Republicans will change this program," he said. "It will happen."

But he and members of the panel promised that the severely disabled would not be affected.

To Karen Higginbotham, a Louisiana mother worried that her 6-year-old daughter would be institutionalized if she lost SSI checks, subcommittee chairman Rep. E. Clay Shaw of Florida said: "There's no way we are going to deprive you of the wonderful obligation you have undertaken."

Two-thirds of the children who get disability benefits receive them for mental impairments.

The Sun articles related the story of a family in Lake Providence, La., that gets nine SSI checks — $3,893 — every month. The family's seven children were put on the rolls for mental problems.

Congress has received complaints that parents are telling their children to behave badly and perform poorly in school to qualify for "crazy checks" — SSI payments of up to $458 a month — with no limit on the amount of money a single family can receive.

"If they were to cap maximum benefits to a family, I don't think any advocate would have a problem with that," said Joe Manes, a policy analyst at the Bazelon Center For Mental Health Law, in an interview. "But the fact is that there are families living in poor and tragic situations that do have four or five kids with disabilities. It happens. And it seems that fact is being ignored."

The head of a Louisiana state office in Shreveport that determines who is qualified for checks recited a list of examples of what he claimed were incidents of parents coaching children on how to act to win checks.

Wayne Parker, the Louisiana official, claimed that a preschooler "told a psychologist that he saw balloons coming out of the walls. When questioned about the statement, he said, 'Oh, I forgot mamma said say blood was coming out of the wall.' "

But, grilled by Rep. Harold E. Ford, a Tennessee Democrat, Mr. Parker admitted that he didn't know of any case of documented fraud.

"That's the problem," Jim Gardner, a Shreveport lawyer and children's advocate, said later. "They're getting ready to take drastic action based on all these anecdotal reports of abuse. But they haven't documented or quantified a damn thing."

Mr. McCrery, a five-term Republican, said he wants to replace SSI cash payments to parents with the goods and services that they need to cope with their child's disability. Cash would continue to go to children who "would otherwise require institutional care in the absence of a parent."

For children with marginal disabilities who have their checks cut off, he would give block grants to their home states to provide them with any services or materials they might need.

Advocates for the children vehemently resisted Mr. McCrery's approach in their testimony.

"We are absolutely opposed to the elimination of cash payments," said Mr. Gardner, the children's advocate, arguing that parents preoccupied with caring for a severely disabled child need the money to offset lost earnings.

Outside the hearing room, Mr. Gardner added: "Because of a few horror stories, we are now fighting for the lives of thousands of children to keep them from losing ground that took us two decades to gain."

Cash payments are shaping up as a lightning rod in the debate over the children's program. While children's advocates say the grants should continue, the movement to cut them off is gaining bipartisan support in Congress.

Rep. Gerald D. Kleczka, a Wisconsin Democrat, testified along with Mr. McCrery. He was not willing to have children thrown off the rolls, but recommended replacing all cash grants with goods and services.



BARBARA HADDOCK TAYLOR/SUN STAFF PHOTO

Sarah Trout, 10, is comforted by her mother, Susanmarie, of Philadelphia at the House hearing.

SUN REPRINTS

Reprints of "The Disabling of America," a four-part series on the Social Security Administration's disability programs published this week in *The Sun*, can be purchased from Sun on Demand by calling 1-800-829-8000 or (410) 332-6800. Copies are $2.50 each, plus 5 percent tax. When ordering, callers should ask for "the SSI series."

(Balt. Sun; 1-28-95

Aged and disabled cram hearing room, and worry

By Jim Haner
and John B. O'Donnell
Sun Staff Writers

WASHINGTON — In a cavernous hearing room, the steady murmuring of little Alison Higginbotham, 6, echoed off the high arched ceiling as the adults argued yesterday over who and how much to slash from Social Security's troubled disability aid program.

Cut 86,000 addicts, said Rep. E. Clay Shaw Jr. of South Florida.

Cut 166,000 refugees, said Stephen Moore of the conservative Cato Institute.

Cut 200,000 children, said Rep. Jim McCrery of Louisiana.

Even that wouldn't make much of a dent in the 6.3 million people collecting monthly checks from the Supplemental Security Income program — a welfare plan for disabled and elderly poor people that costs taxpayers $25 billion a year.

But the Republican-led hearings before a House Ways and Means subcommittee brought together advocates for the aged, poor and handicapped as few other events have in recent years. Alison Higginbotham was their star witness.

"Muh, muh, muh, muh," she thrummed from her wheelchair.

Unable to speak because of a rare seizure disorder called infantile spasms, Alison is totally dependent on her family for even the smallest daily functions.

Her mother, Karen Higginbotham, testified that were it not for monthly SSI checks, Alison would have to be institutionalized.

"You highlight our problem up here today," said Rep. Barbara B. Kennelly, D-Conn. "We have a very difficult task separating out the needy from the people who are committing fraud. . . . I'm scared to death of hurting children like Allison." The same might be said of at least a dozen other children and adults in the packed hearing room yesterday. Sitting in motorized wheelchairs, balanced on crutches, they were a constant reminder that cutting SSI must be a precision exercise — lest the ax fall on the innocent.

But time and again, members of the committee changed the subject in midstream from children to drug addicts and scam artists, pounding home the point that taxpayers are fed up with fraud and waste.

So much attention on a group of people who represent 1 percent of the entire SSI population — so much attention on fraud in one federal program for the poor — made more than one observer nervous.

"It's a few people who are abusing this program that are being used as justification to cut off all the rest," said Marty Ford of the Association for Retarded Citizens. "The kind of proposals we're hearing in there today are not designed to stop fraud and waste. They're designed to stop the program."

Said James Gardner, a Shreveport lawyer and children's advocate: "The disabled community is terrified."

Inside the hearing room, Alison rolled her head back in her wheelchair and stared at the ceiling as she continued her noisemaking.

Looking down on the girl from the chairman's seat, Mr. Shaw said: "We will not forget you."

IN THE LOOP

Wash. Post; 2-1-95

White House Special: 1 Rm No Vu

By Al Kamen
Washington Post Staff Writer

News flash! White House real estate opening! Office space available today in the coveted West Wing. Windowless with poor ventilation, but plenty of room and, most of all, very, very centrally located opposite the photographer's office and next door to communications director **Mark Gearan** on the ground floor.

It's the office of deputy communications director **David Dreyer**, who is moving over to the Treasury Department to become senior adviser for planning to Secretary **Robert E. Rubin**. That's a job created especially for Dreyer, a longtime aide on Capitol Hill who worked as communications director for Rep. **Richard A. Gephardt** (D-Mo.) when he was House majority leader. That explains why Dreyer has been seen so often lately at Treasury.

Meanwhile, Treasury folks are still looking for a successor to assistant secretary for public affairs **Joan Logue-Kinder**, who's leaving.

McCurry, Staying Well Above Ground

■ And now, the world according to Mike. White House press secretary **Michael McCurry** brought down the house yesterday as he picked his way through a highly technical session with reporters over the packaging of an aid plan to Mexico.

Asked how many *tranches*—that's fancy French talk for portions of, in this case, money—would be doled out, McCurry said: "I don't do *tranches*. I heard you get infections that way."

Interior's Ramspeck Relocaters

■ Ramspecking, the process under the Ramspeck Act whereby unemployed congressional staffers can ease into federal career jobs without going through the competitive process, is alive and well.

A few lucky Democratic Hill refugees are finding gainful employment at the National Park Service and the Bureau of Land Management.

Amy Holley, an aide on the House Natural Resources subcommittee on national parks, forests and public lands, has landed a job in the National Biological Service; **Daniel M. Ashe**, staff director of the defunct Merchant Marine and Fisheries environment and natural resources subcommittee, is at the Fish and Wildlife Service.

There is word that **Rhoda J. Glickman**, executive director of the late Congressional Arts Caucus and wife of the Agriculture secretary-designate, is being talked about for a job in the Park Service public affairs shop and that **Suzanne J. Waldron**, former press secretary for the Merchant Marine and Fisheries Committee, is moving over in a short-term consulting capacity but could go full-time in the press shop.

Up to five former Hill staffers may end up at the Bureau of Land Management, with three in the public affairs office. That office was cut from about two dozen staff to around six or seven under downsizing and is being re-sized a bit.

House Natural Resources Committee aides **Celia Boddington** and **Lori Sonken** have moved to BLM press along with **Tony L. Garrett**, former director of communications for the Senate Committee on Energy and Natural Resources. **Jim Hoff**, a fisheries expert and former administrative assistant to former representative **Jolene Unsoeld** (D-Wash.), has also moved in and is working on fisheries issues in the Pacific Northwest.

Belated Blessings, Reinvented

■ Federal prosecutors in Washington were a bit perplexed Monday by a letter from **Vice President Gore** that appeared in their office mailboxes.

It was addressed, "To: All Federal Employees."

Gore said he was working on the "effort to reinvent the federal government." "For me, far and away the most rewarding part of reinvention has been seeing firsthand the talent and dedication you bring to your work," he wrote.

"Our goal is a government with systems that allow federal workers to do what they signed up to do: to make a difference," the letter said. "Happy New Year."

The letter was dated Dec. 28, 1994.

They're still trying to figure out which talented and dedicated federal employee was responsible.

Have Justification, May Travel

■ And now, a show of bipartisanship. Senate Majority Leader **Robert J. Dole** (R-Kan.) and Minority Leader **Thomas A. Daschle** (D-S.D.) recently issued instructions to their colleagues regarding foreign trips.

"As you know," they began, "Congressional foreign travel is frequently misrepresented in the press and perhaps misunderstood by your constituents. Because most of the official trips authorized by the Senate are productive, important and justified, we are reissuing the Leadership guidelines which standardize travel regulations and authorizations."

Don't take too many committee aides, they said, and get permission to take personal staff on committee trips. Spouses can go "for protocol purposes at no additional expense to the government."

"With the budget cuts facing us in this Congress, we feel it is important to keep our travel fully justified and free from criticism to the extent possible," they concluded.

Of course, "most" authorized trips are justified. And then there are those especially arduous ones to the Caribbean in winter and to Europe in the summer. The press just can't stop misrepresenting those and constituents just don't understand.

Clinton Buries Nomination to Panama

■ **President Clinton** formally buried the nomination of former Carter White House aide **Robert Pastor** to be ambassador to Panama. Clinton said yesterday that he would not resubmit the nomination to the Senate.

The nomination effectively died last year when Sen. **Jesse Helms** (R-N.C.), then ranking minority member, successfully blocked it. Helms's ascension to the chairmanship made doubly certain it would go nowhere.

Clinton was "the only one who thought it was still alive," a Senate aide said. Former representative **William J. Hughes** (D-N.J.) is being talked about for the job.

USA Today; 2-1-95 1D

CANCER RISK: Women with high levels of natural estrogen run twice to four times the risk of developing breast cancer as those with lower levels, say New York University researchers. Their study, in the *Journal of the National Cancer Institute*, compared blood samples of 130 women with breast cancer with that of 251 cancer-free women of the same age and found a strong correlation between estrogen and the disease. The study is the largest yet of its kind, the researchers say; but results cannot be related to estrogen replacement therapy.

N.Y. Times; 2-1-95

Sides Harden Positions On Balanced-Budget Bill

Parties Duel Over Additions to Measure

By JERRY GRAY
Special to The New York Times

WASHINGTON, Jan. 31 — With a vote in the Senate on a constitutional amendment to require a balanced Federal budget at least three weeks away and its outcome possibly riding on as few as one or two Senators, both sides in the debate hardened their positions today.

Six Democratic Senators, some of whom have supported earlier versions of such an amendment, announced that they might oppose the current legislation unless it is amended to protect Social Security from raids by budget cutters.

The Republican leaders were equally firm in insisting that they would not allow additions to the amendment. But acknowledging that he did not yet have the votes to pass the measure, Senator Bob Dole, the majority leader, announced that he had organized a six-member Republican "rapid response team" that he said would lead the floor fight for the legislation. Mr. Dole said Senator Paul Simon, an Illinois Democrat, was forming a similar group for his party.

In the House, members spent a second day of debate on legislation that would make it more difficult for the Federal Government to impose new regulations on state and local governments without also covering the costs.

The Senate passed such a bill to bar such "unfunded mandates" on Jan. 27 and there is wide bipartisan support for the measure in the House. But debate was slowed by scores of amendments by Democrats to exempt a broad range of laws or regulations dealing with items like the minimum wage, child labor, school safety, asbestos and lead removal and Medicaid.

Restricting regulations that the Government does not pay for has nearly universal support among the nation's 38 Republican governors, as well as strong backing from business groups.

The measure would not apply to Federal laws that implement or enforce constitutional or civil rights, nor would it affect national security or international treaty obligations, laws that provide emergency relief to states and requirements to prevent waste, fraud and abuse in Federal programs. Social Security would also be excluded, as well as laws already in effect, unless they imposed new mandates.

As the House worked slowly on that legislation today, much attention shifted to the Senate, where the fate of the proposed amendment to require a balanced Federal budget was far from being decided. The House passed the measure by 300 to 132 last Thursday.

Mr. Dole said the Senate would spend at least three more weeks debating it, but he was still not sure when he might call for a vote. The majority leader said he was confident of support for the measure among the Senate's 53 Republicans, although he declined to predict a specific vote for the amendment.

"It's tougher here in the Senate," Mr. Dole said. "We don't know where some of the people are who voted for it in the past, thinking it might be a free vote, who are now dealing with real bullets."



David Scull/The New York Times

Senator Bob Dole, the Senate majority leader, at the lectern, announced yesterday that he had organized a six-member Republican "rapid response team" to lead the floor fight for the balanced-budget amendment. Senator Orrin G. Hatch, Republican of Utah, left, will lead the team

To pass, a constitutional amendment needs the support of two-thirds of the Senators, or 67 votes. "We need some 15 to 18 votes from the other side," he said.

In forming the so-called rapid response team, Mr. Dole is employing a strategy that both parties frequently use during debates on major issues, like last year's vote on health care.

Senator Orrin G. Hatch of Utah, the leader of the Republican response team, said part of the group's job is to be ready to spring to the defense of the bill during floor debates. But the team members are also responsible for trying to counter any Republican defections on the bill and to entice Democratic opponents to switch sides.

"I believe it's going to come down to one vote either way," Mr. Hatch said today.

Members of the group said that one of their tasks will be to try to outmaneuver Senator Robert C. Byrd of West Virginia. The 77-year-old Democrat has single-handedly tied up Senate debate and disrupted the Republicans' legislative timetable with his mastery of parliamentary procedure, a situation Mr. Dole has described as "Byrdlock."

Last year under Democratic control, the Senate fell four votes short, 63 to 37, of passing a balanced budget amendment. Eleven Democratic senators, seven who voted for the amendment and four who voted against it, were not re-elected and were replaced by Republicans.

But the outcome in the Senate this year is likely to turn on the votes of possibly eight Democrats who voted "yes" last year, but now have second thoughts. Included in that group are Senators Byron L. Dorgan of North Dakota, Dianne Feinstein of California and Wendell H. Ford of Kentucky.

The three Senators where joined today by three other Democratic Senators — Harry Reid of Nevada, Kent Conrad of North Dakota and Howell Heflin of Alabama — at a news conference at which said they were backing legislation that would protect Social Security from being used to help balance the budget.

Another Round

Wall St. Jrnl.; 1-31-95 p. 1

Talk of Tax Reform Is Gaining Momentum, But Plans Vary Widely

A Major Goal Is to Increase Low U.S. Savings Rate; Current System Is Costly

Elusive Quest for Simplicity

By David Wessel
Staff Reporter of The Wall Street Journal

WASHINGTON – In this town, nothing is certain but death and tax reform.

Like thunder rumbling in the distance, the next big reform of the cluttered and perhaps counterproductive tax code is approaching. It may take a long time for the storm to arrive. It may even blow over. But there surely will be a lot of noise.

Enthusiasm for revamping the tax code – this time to encourage Americans to save and businesses to invest – once was limited to academics who spend their lives contemplating the perfect tax. Now, it is spilling over to politicians. The Republican takeover of Congress indicates, at a minimum, that the issue will be debated right through the 1996 presidential campaign. Consider:

- The new chairman of the Senate Budget Committee, Pete Domenici of New Mexico, and a like-minded Democrat, Sam Nunn of Tennessee, will introduce next month a fully articulated bill to impose an Unlimited Savings Allowance Tax, designed to raise as much as today's $750 billion-a-year personal and corporate income taxes do. It would allow families to deduct everything they save, like an unlimited Individual Retirement Account, and let business write off investment costs immediately rather than depreciate them over a period of years.
- The new House majority leader, Richard Armey of Texas, advocates replacing the personal and corporate income tax with a 17% flat tax so simple that he says your tax return would fit on a postcard. His is an overall tax cut, especially for the affluent; revenues wouldn't match those from today's tax system. House Democratic Leader Richard Gephardt promises a counterproposal with a 10% or 11% tax rate for most families and higher rates on the better-off.
- The new chairman of the House tax-writing committee, Rep. William Archer of Texas, wants to replace the income tax with one on consumption, perhaps a national sales tax. His Senate counterpart, Robert Packwood of Oregon, hasn't endorsed any proposal but is eager to return to his pivotal 1986 role as the grand master of tax reform. It might even happen in the next two years, Sen. Packwood says. "If you don't believe in miracles," he adds, "you're not a realist."

An Air of Inevitability

Tax-reform advocates exude an air of inevitability that, sooner or later, the government will use the tax code to bolster America's alarmingly low savings rate – maybe not this year or next but surely within five or 10 years. "We can now say the income tax is dead," says David Bradford, a Princeton University economist who has long campaigned to replace it with a consumption tax.

However, Mr. Bradford's epitaph for the income tax is probably premature.

The politics of tax reform are treacherous. Henry Aaron, a Brookings Institution economist, likens them to the politics of health-care reform: Potential losers fight hard against change, and potential winners are too skeptical to fight for it.

There would be plenty of losers under all the plans – that's why such proposals have failed in the past. Both the Armey and Nunn-Domenici plans take on the politically powerful real-estate industry. Both also would make life tougher for city and state governments, whose income and property taxes would no longer be deductible. Mr. Armey, less worried about political reality than the two senators, is willing to tackle colleges and churches by halting the deduction for charitable contributions. He also would go after the popular home-mortgage deduction and would further his shrink-government campaign by doing away with favored treatment for state and local government bonds.

More Pressing Issues

For the time being, Congress is preoccupied with more politically pressing matters. Topping the list are the House GOP's "Contract With America" and its hodgepodge of spending cuts and tax breaks, some of which might encourage savings and some of which won't. The same goes for President Clinton's proposed middle-class tax breaks. Both would expand IRAs, a boon for those who save but a change that could deepen future federal deficits. Both would give a $500-a-child tax credit to millions of families, a change more likely to spur purchases than savings. It's too early to tell for sure what, if anything, will get through, but tax breaks for families with children, expanded incentives for savings and some sort of capital-gains tax cut seem the most likely to win approval this year.

"The Republicans have put three tax-reform plans on the table – and a turkey," says William Niskanen, a former economic adviser to Ronald Reagan, referring to the Domenici, Armey and still-sketchy Archer plans. "The turkey is the Contract. The president chose to compete with the turkey, not the reforms."

The last major revision of the tax law, in 1986, eliminated deductions and loopholes to trim income-tax rates for families and businesses. Stop trying to direct

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money with tax breaks, the logic went. Bring rates down and let the money flow where it will. And tax those with similar incomes similarly, no matter how they make their money or how they spend it.

This time is different. "There is a consensus that the goal of the next tax reform ought to be national savings," says Robert Shapiro, vice president of the centrist Democrats' Progressive Policy Institute, which is preparing a savings-friendly proposal of its own.

"Higher levels of savings lead to higher levels of investment," Sen. Nunn says. "High levels of investment lead to higher productivity. It is only through higher productivity that we can improve our . . . capacity to create more and better jobs . . . and ultimately a higher standard of living for our people."

Some Alternatives

Like the seed corn that a farmer used to set aside to plant next year's crop, saving is what a society puts aside to invest in the future. If a farmer didn't save enough seed, his future crops would be smaller unless he could borrow seed from others. At present, the U.S. is both borrowing savings from abroad and sacrificing future economic growth because it saves less than other nations do. Not only do American families save too little; the federal government, through its chronic deficits, consumes much of what they do save. To increase savings, Americans must set aside more from each paycheck or the government must cut its deficit, or both.

Radical tax reform isn't the only answer. "The easiest way to raise the savings rate is to get rid of the deficit," says Bill Frenzel, formerly the senior Republican on the House Budget Committee. Others call for an educational campaign to persuade Americans they must save more for retirement, partially privatize Social Security to encourage more retirement savings or simply expand IRAs.

But Sen. Nunn, among others, believes the key to saving is big-time tax reform because, he says, "the tax system has an effect on human behavior."

Such tax reform would tilt the code so Americans would save more and borrow less, while businesses would invest more and borrow less. In practice, that means not just cutting the tax on capital gains but essentially eliminating it. It means exempting interest and dividends from taxes, increasing the rewards for those who save. It means taxing, in one way or another, employer-provided health benefits. And it means forbidding businesses to deduct interest payments, a tax break that encourages debt.

For Rep. Armey, who prizes simplicity, it also means doing away with the popular home-mortgage deduction and every other existing deduction; instead he would exempt from taxes the first $36,900 of wages earned by a family of four. Sens. Nunn and Domenici are more pragmatic. To craft a tax plan that doesn't get laughed out of the arena on Day One, they would preserve the mortgage deduction – and create a new Clintonesque deduction for post-high school education.

Prognosis: Uncertain

Rewriting the tax code and teaching Americans a new set of rules is costly and time-consuming. Will it increase national savings significantly? No one knows for sure. "I believe we're going to have to take some chances," Sen. Domenici says.

Both the Nunn-Domenici and Armey plans assume people will save more if the reward for saving is enhanced. The senators permit an upfront deduction for saving. Mr. Armey exempts interest, dividends and capital gains from taxes. Yet economic evidence from the past suggests that increasing the after-tax reward for saving would have, at best, a modest effect on overall savings. "The evidence generated by the major tax changes of the 1980s," says University of Michigan economist Joel Slemrod, "is that saving and investment have proven to be less responsive to [changes in] taxation than many economists believed." Other economists read the same evidence differently but acknowledge the uncertainty.

Even some fans of consumption taxes are ambivalent. "Given the amount of political capital and energy it would take,

Cont'd on next page

HOW TWO PLANS STACK UP

NUNN-DOMENICI USA TAX

FOR AN INDIVIDUAL: Tally all income—wages, dividends, interest, asset sales, pensions plus 15% of Social Security benefits. But not interest on state and local bonds.

Exclude a substantial "family living allowance," depending on number of dependents. Deduct charity, mortgage interest (but not on home-equity loans) and a portion of tuition or training. Don't deduct state and local income and property taxes. Deduct anything saved, provided it goes into financial assets, not real estate or art.

Pay tax on what's left at graduated rate, with top rate of perhaps 45%. Reduce tax bill by employee share of Social Security and Medicare tax and by earned-income tax credit if eligible.

Leave estate taxes as under current law, except basis for inherited assets is original cost, not value at time of inheritance.

The Transition: For taxpayers with less than $50,000 in "old savings," deduct original cost of stocks, bonds, etc., over three to five years. (This prevents a deduction for merely shifting "old savings" to new "net savings.")

For wealthier taxpayers, if securities acquired before tax change are sold, reduce deduction by original cost. In years where there is no net addition to savings, e.g., retirement years, reduce taxable income by original cost of assets sold after new tax took effect. (This limits double-taxation of savings from previously taxed income.)

FOR A BUSINESS: Add up domestic sales (not export sales). Deduct all payments to other businesses, including investment in buildings and equipment. Don't deduct interest, dividends, salaries or benefits.

Subject the rest to a flat tax, perhaps 10%. Reduce tax by employer-paid Social Security tax

The Transition: To discourage businesses from selling all their property the year before the new tax takes effect and buying new property after it takes effect, all previously owned property to be depreciated over 10 or 30 years even if sold, worn out or destroyed.

Past tax credits and net-loss carry-forwards are eliminated.

ARMEY FLAT TAX

FOR AN INDIVIDUAL: Tally wages, salary and pensions, but not Social Security benefits, and not interest, dividends or capital gains. Exclude $26,200 if a couple and $13,100 if an individual, and exclude $5,300 per dependent. If employed by government or a nonprofit, add in value of fringe benefits.

No deduction for mortgage interest, contributions, state and local taxes or anything else. No earned-income tax credit. Pay 17% tax on what's left.

FOR A BUSINESS: Tally all revenue. Deduct purchases of goods and services, investments, wage and pension contribution. Don't deduct fringe benefits paid, Social Security payroll tax or interest and dividends paid.

Pay 20% tax on what's left during the first two years; after that, 17%.

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should we do it? The answer probably is no," says Brookings' Mr. Aaron, who once proposed a tax much like the Nunn-Domenici plan. Having moved toward a pure income tax in 1986, eliminating the tax breaks that favored certain kinds of savings, Congress should stay put, Mr. Aaron says. If it wants to increase national savings, let it cut the budget deficit.

Do both deficit-reduction and tax reform, replies Mr. Shapiro of the Progressive Policy Institute. "This has to be part of a strategy to raise the national savings," he says. The rest of it: a public-education campaign to boost savings, and reform of Social Security, which has reduced poverty among the elderly but also reduced what Americans save for retirement.

The Nunn-Domenici and Armey proposals both start from the premise that the current tax code is both too complicated and too tilted toward consumption. But they also have sharp differences.

The senators want increased personal saving and business investment. Period. Their tax plan is designed to raise as much money as current personal and corporate income taxes; it isn't a tax cut. It also would distribute the tax burden roughly as it is today. They promise that the best-off 20% of the population would pay the same share of taxes as they do now, although the top 1% could get a tax break. "I don't think there is any way you're not going to have gains at the tippy top," Princeton's Mr. Bradford says. "It doesn't bother me. It bothers some people."

Mr. Armey's goals are grander. He wants not only to simplify tax returns and encourage savings but also to shrink the federal government by starving it. His 17% flat tax doesn't raise nearly as much as current taxes do; by Treasury estimates, it would fall $186 billion short over five years. Mr. Armey disputes the estimate and promises to make up any shortfall with spending cuts. The inventor of Mr. Armey's version of the flat tax, economist Robert Hall of Stanford's Hoover Institution, figures it would take a tax rate of 23% for Mr. Armey's tax to break even. Mr. Armey also strives to make people more resistant to taxes: He would end payroll withholding and make families send a monthly check to the government.

Mr. Armey doesn't try to cut taxes as much for the middle class as he does for the well-off. A sympathetic analysis by the Tax Foundation's senior economist, Arthur P. Hall, finds that, when fully phased in, Rep. Armey's tax cut would lower annual taxes by $296 for those with incomes between $15,000 and $30,000. Allocating both personal and business taxes, he calculates that taxes on those with incomes of $300,000 or more would drop an average of $108,000 a year.

"The principle that we are all treated the same seems to weigh more heavily with people who write me than the concern that, 'Gee, I'm in the middle and I'm going to get less of a tax cut than someone who makes $200,000,' " Rep. Armey says.

Talk of Simplicity

Every tax reformer promises a simpler tax code, and Messrs. Armey, Nunn and Domenici are, too. Rep. Armey hands out copies of his postcard-sized individual tax return. Ernest Christian, a Washington tax lawyer working on the Nunn-Domenici plan, says it would repeal three-quarters of the code's 700 sections, including rules on depreciation and on distinguishing capital gains from ordinary income.

Both taxes would simplify business taxes enormously – no insignificant accomplishment. Mr. Slemrod estimates that it costs $75 billion a year to comply with the tax laws, much of it spent by business. Former Internal Revenue Service Commissioner Shirley Peterson regularly stuns audiences by describing one multinational's 1992 tax return: 21,000 pages in 30 volumes. "The transaction costs to the country for compliance with the tax code are becoming really prohibitive," says Chrysler Corp. President Robert Lutz, who campaigns for the Nunn-Domenici plan. Chrysler employs 65 people full-time to work on its taxes, and its tax-return documents tower more than three feet high.

But under the Nunn-Domenici tax, most individuals' returns probably wouldn't be simpler. The senators introduce an entirely new calculation: Taxpayers would have to add all money they save in a year, subtract the amount they borrow or draw out of past savings and then deduct the net addition to saving from their total income, just as they deduct things like mortgage interest today.

THE FEDERAL DIARY

Wash. Post; 2-1-95

Smaller Raise Is Likely

By Mike Causey
Washington Post Staff Writer

The budget that **President Clinton** sends to Congress next week is likely to request approval of a 1996 federal pay raise that would be less than 2 percent for workers, including more than 300,000 employees in the Washington-Baltimore areas.

Many Washington-based firms, trade organizations, nonprofit organizations, unions and even embassies base their employee pay raises on what Uncle Sam gives his people. Merchants and landlords also have a keen interest in pay raises.

Pay raises for military personnel and blue-collar federal employees usually match the white-collar increase. Postal and District government employees are not directly involved in the federal pay raise. Federal and military retirees get cost-of-living adjustments that are unrelated to the federal raise.

Union leaders have been privately briefed to expect less than the 3.55 percent combined national and locality raises projected for their members under current law. Since taking office, Clinton has kept raises below amounts called for by the formula set up by Congress and the Bush administration.

The president proposed a 1993 pay freeze. Congress insisted on paying the first 4.23 percent locality raise installment, but it agreed to cancel an additional 2 percent national raise due to workers. In a deal brokered by Rep. **Steny H. Hoyer** (D-Md.), federal workers got a 1994 raise bigger than Clinton proposed—3.22 percent here—but still less than they were due under the Bush-era pay law.

Insiders expect the president to propose a sum of money in next week's budget but let Congress divide it between national and locality raises. The bottom line, however, is that it would produce an increase of between 1.6 percent and 1.8 percent. That's about half the amount owed to employees under the current pay law, which allows the president—with congressional approval—to alter the raises.

The original White House long-range forecast for federal pay raises called for a zero increase in 1994; a 2 percent raise in 1995; 1.7 percent in 1996; 1.6 percent in 1997; and 2.3 percent in 1998.

USIA Alumni

The U.S. Information Agency's very active alumni association will have its Feb. 16 luncheon at the Fort McNair Officers Club. Presidential special assistant **Morton Halperin** will speak. **Hans N. Tuch** is president of the group.

People

Jessica L. Parks, vice chairman of the Merit Systems Protection Board, will join the Washington-based law firm of Kator, Scott & Heller next month. The firm has been handling the Virginia tax refund lawsuit for federal and military retirees. Park, who was appointed by **President Bush**, will specialize in employment and fair housing law.

License to Mail

Vincent R. Sombrotto, president of the National Association of Letter Carriers, fears Congress may "try to sell licenses to private" companies to take over functions now handled by the U.S. Postal Service. He expects a serious effort to repeal private express laws (giving the Postal Service its monopoly on delivering first-class mail), and for private firms to take over more profitable operations while letting the Postal Service continue to deliver—for 32 cents—unprofitable mail to remote, hard-to-reach parts of the country.

NARFE Session

Charles R. Jackson, new president of the National Association of Retired Federal Employees, is scheduled to speak at 10 a.m. today at the Annandale Fire Hall, 7128 Columbia Pike. Jackson wants to protect retiree cost-of-living raises and the retirement formula. He also wants Congress to outlaw source-taxing. That's when a state (California is already doing it) taxes the retirement income of former residents who moved to no-tax states such as Nevada and Florida.

L.A. Times; 2-1-95 p. 1

New Drugs Offer Hope in Battle Against AIDS

■ Health: Preliminary trials of protease inhibitors show that they are 10 to 20 times as powerful as AZT.

By MARLENE CIMONS and THOMAS H. MAUGH II
TIMES STAFF WRITERS

WASHINGTON—In the first good news to come out of the battle against AIDS in this decade, researchers reported Tuesday that a new family of drugs called protease inhibitors can sharply reduce replication of the human immunodeficiency virus and restore immune system functioning in patients in the early stages of the disease.

Results from preliminary clinical trials of two of the drugs indicate that they are 10 to 20 times as powerful as AZT—the currently used drug—in clearing the virus from patients' bodies and that immune system regeneration can persist for at least six months.

At least seven protease inhibitors—which attack an enzyme unique to HIV—are now in trials in humans, with several more expected to begin soon. Although no single one of them appears to be a "magic bullet," many researchers now believe that a "drug cocktail" of protease inhibitors and antiviral drugs could provide a potent antiviral punch against HIV, Dr. Martin Markowitz of the Aaron Diamond AIDS Research Center told the Second National Conference [on] Human Retroviruses and Related Infections.

Please see AIDS, A8

AIDS

Continued from A1

Researchers cautioned, however, that this is not a cure but rather a way to slow the progression of the disease. Moreover, they said that highly successful preliminary results of antiviral activity often prove ephemeral as the AIDS virus finds new ways to subvert efforts to control it. In all the trials, the new drugs began to lose some effectiveness after several weeks or months, but researchers said they thought they could overcome that problem with the cocktail approach.

"We are encouraged by these data," said Dr. John Leonard of Abbott Laboratories, "but because of the small number of patients involved and the short duration of the trial, many questions remain to be answered."

Other highlights of the meeting included a report from the Centers for Disease Control and Prevention indicating that AIDS has now surpassed accidents as the leading cause of death among Americans ages 25 to 44, new insight into why HIV cannot be spread by kissing and stronger evidence that Kaposi's sarcoma is caused by a previously unrecognized herpes virus.

But most of the excitement Tuesday centered on the clinical trials of protease inhibitors, results that Dr. George Shaw of the University of Alabama at Birmingham called "groundbreaking."

AIDS scientists have been searching almost frantically for new types of drugs. Members of the only existing class—the so-called nucleoside analogs, including AZT, ddI and ddT—have proved only modestly effective and are plagued by severe side effects because they interfere with cellular enzymes similar to the viral enzyme they target.

In contrast, the viral enzyme protease, which is important in HIV replication, is unlike enzymes in human cells. Researchers have high hopes that drugs designed to inhibit this enzyme will not interfere with normal cellular activity. So far, that has proved to be the case. The main side effects from the seven drugs tested so far have been nausea, diarrhea and occasional lightheadedness.

The protease inhibitors, Markowitz said, "are a major advance in therapy."

Markowitz and Dr. David Ho of the Aaron Diamond Center in New York City studied Abbott's protease inhibitor, called ABT-538, and found that it shut down more than 99% of HIV replication in AIDS patients and reduced the number of virus particles in the blood by 70% to 90% over a three-month period.

And when the virus was held in check, they said, the number of virus-fighting CD4 cells more than doubled, on average, rebounding much more sharply than with AZT. In one dramatic case, a man's CD4 count rose from 68 cells per milliliter of blood to 680 cells, and his immune system went "from grossly abnormal to something that could pass for normal," according to Ho.

Researchers from Merck reported that high doses of their protease inhibitor, called L-735,524 reduced virus levels by more than 99% and tripled blood CD4 levels. The virus eventually developed some resistance to the higher doses but not as rapidly as with lower levels, which lost effectiveness after six months.

Hoffman-La Roche Inc. reported that it had completed enrollment of 1,000 patients in a trial of its protease inhibitor, saquinavir, and planned to seek marketing approval from the Food and Drug Administration later this year.

Perhaps the most discouraging note of the day involved the drug SC-52151, produced by G.D. Searle. Although that compound appeared very promising in test tube trials, the first results in humans were very disappointing. Company researchers said they have identified a protein in human blood that binds to the drug, blocking its action. They believe that the same protein binds to many other protease inhibitors as well, reducing their efficiency.

Because HIV ultimately develops resistance to each of the protease inhibitors, Markowitz emphasized that no one of them should be viewed as a cure.

One way around this resistance, they said, might be to overwhelm the drug with an attack from several directions, including one or two antiviral agents in combination with two, three or more protease inhibitors to wipe out the virus before it can mutate into a resistant form.

The increasing importance of AIDS as a public health problem was noted by Dr. Harold W. Jaffe of CDC, who said that more than 440,000 cases of AIDS have been reported in the United States through 1993—about 75% of them in the 25-to-44 age group. AIDS had become the leading cause of death among men in that age group in 1992 and surged into the overall lead in 1993, he said, but is still fourth among women, behind cancer, accidents and heart disease.

Researchers have long argued that AIDS cannot be spread by kissing, and now they think they know why. Dr. Tessie McNeely and Dr. Sharon Wahl of the National Institute of Dental Research reported here that they identified a protein in saliva, called SLPI, that specifically blocks infection of blood cells by HIV.

McNeely and Wahl also found that SLPI is present in the bloodstream, but only in very small amounts.

Wash. Post; 2-1-95

AIDS Becomes Main Killer of Young Adults

Associated Press

AIDS has surpassed accidents as the leading killer of young adults, experts say.

New figures released Monday show that in 1993, HIV infection became the No. 1 cause of death among Americans 25 to 44 years old.

Harold Jaffe of the U.S. Centers for Disease Control and Prevention in Atlanta said more than 441,000 Americans have gotten AIDS since 1981, and more than 250,000 have died. "Because AIDS is predominantly a disease of young adults, the impact of AIDS deaths on our society goes far beyond their absolute numbers," Jaffe said. Jaffe outlined the latest statistics at an AIDS meeting sponsored by the American Society for Microbiology (ASM).

In 1993, about 35 of every 100,000 young adults died from AIDS. The same year, about 32 per 100,000 died from accidents, followed by cancer, heart disease, suicide and murder.

AIDS' impact is greatest in large cities, such as New York, Miami and Atlanta, where the disease accounts for between one-third and two-thirds of deaths in young men. However, it has become a significant health problem among the young in many smaller places, as well. Jaffe said that AIDS is now the leading killer of young adults in 79 U.S. cities, including such places as Springfield, Ill.; Omaha; Tulsa; and Raleigh, N.C.

The young people with AIDS are largely black and Hispanic, especially those who caught the disease heterosexually. Overall, new AIDS cases being reported have leveled off at about 20,000 every three months.

USA Today; 2-1-95

AIDS top killer in ages 25-44

By Anita Manning
USA TODAY

AIDS now exceeds accidents as the leading cause of death among young adults.

In 1993, AIDS killed 28,090 people age 25-44, while accidents in that age group accounted for 25,960 deaths, said Dr. Harold Jaffe of the Centers for Disease Control and Prevention, at an AIDS conference Tuesday in Washington, D.C.

"The epidemic has evolved from being undetectable in 1981 to the leading killer of young Americans in 1993," Jaffe said. Between '93 and '94:

▶ AIDS among women increased from 16.2% to 18.1% of all cases reported.

▶ Cases among blacks increased from 36.1% of the total to 39%, and among Hispanics from 17.7% to 18.7%.

▶ The proportion among homosexual/bisexual men dropped from 47.3% to 43.3%. Cases due to heterosexual contact grew from 9.2% to 10.3%.

Also at the conference, researchers looking for an AIDS vaccine said they're working on making a live AIDS virus that can easily be killed after it ignites the body's immune responses.

Researchers reported they had created a form of AIDS virus that carries a herpes gene. Cells infected with the virus, they said, can be targeted and destroyed by ganciclovir, a herpes medicine.

N.Y. Times; 2-1-95

Researchers Link Sarcoma To New Virus

Cancer Often Found In People With AIDS

By LAWRENCE K. ALTMAN
Special to The New York Times

WASHINGTON, Jan. 31 — Columbia University researchers said here today that they had found very strong new evidence that a recently discovered virus causes Kaposi's sarcoma, a cancer that frequently occurs among AIDS patients.

The new Kaposi's sarcoma agent belongs to the herpes group of viruses, which is different from the group that includes H.I.V., the virus that causes AIDS.

Dr. Patrick S. Moore and his wife, Dr. Yuan Chang, who headed the team that made the discovery, said they had tentatively named the agent Kaposi Sarcoma Associated Herpes Virus, or K.S.H.V. The discovery was initially reported in preliminary form in December.

Dr. Moore's team is growing the virus in tissue cultures in the laboratory but has not yet seen K.S.H.V. through an electron microscope. Mapping of the virus's basic genetic structure is virtually complete, and it turns out to be the largest human herpes virus.

Although Dr. Moore declined to say flatly that the new virus was the cause of Kaposi's sarcoma, other experts at the meeting today did.

"I'm convinced it is a new human herpes virus and that it very definitely is the cause of Kaposi's sarcoma," said Dr. Steven Miles of the University of California at Los Angeles. He was co-chairman of the session at which Dr. Moore presented the advances that his team had made since it published tentative findings in December.

Dr. Miles said that his team in Los Angeles, and others in the United States and in England, had confirmed the findings.

Reflecting the excitement among the more than 2,000 participants at the meeting, Dr. Miles said in an interview, "This is a major breakthrough in Kaposi's sarcoma and will change the scope of research."

Kaposi's sarcoma was once a rare cancer in the United States, but for unknown reasons it became epidemic along with AIDS.

Scientists have been mystified as to why the cancer has affected different populations in different ways, particularly those with apparently healthy immune systems.

The classic form is a rare disease that in the United States is found among older men of Mediterranean, Italian and Jewish heritage. A second type has affected Africans. A third type has affected gay men with AIDS.

Many scientists have theorized that Kaposi's sarcoma is caused by a virus. But until today, scientists did not know whether the same virus was responsible for all types of Kaposi's sarcoma.

The Columbia team came up with an affirmative answer.

"It's spectacular work," said Dr. Harold W. Jaffe, a top AIDS official at the Federal Centers for Disease Control and Prevention in Atlanta. "Pat's team has found evidence for the same virus in all the important forms of Kaposi's sarcoma in many areas of the world."

Dr. Moore credited Dr. Jaffe's earlier epidemiologic studies with pointing the way to the discovery of the virus.

Dr. Moore's team studied tissue samples from 21 people who had Kaposi's sarcoma and from 21 who did not.

In the 21 with Kaposi's sarcoma, evidence of K.S.H.V. was found in 20, or 95 percent.

Evidence of K.S.H.V. was found in only 1 of 21 people who did not have Kaposi's sarcoma. Dr. Moore said he believed the positive reading resulted from a technical error.

The Columbia team also found evidence of K.S.H.V. in tissue from 21 African adults and children with Kaposi's sarcoma. Twelve were infected with H.I.V.; the others were not.

Much of the excitement at the meeting today, which was sponsored by the American Society for Microbiology, reflected an opportunity to find a treatment for Kaposi's sarcoma.

In one report, Dr. David Cooper of the University of New South Wales said that two patients showed complete or partial regression of Kaposi's sarcoma while being treated with an experimental drug, ABT 538, which is made by Abbott Laboratories. The drug is a member of a new class called protease inhibitors. It was tested in a small study that Dr. Cooper led in Australia.

When participants in today's session peppered Dr. Moore with a dozen or so questions about Kaposi's sarcoma, he said that much work remained to be done to find the answers. Among the questions were these:

¶How is K.S.H.V. transmitted?

¶Is the virus present in semen?

¶Why does Kaposi's sarcoma affect men predominantly and women rarely?

Some scientists theorize that there is a hormonal explanation. But Dr. Miles, the U.C.L.A. expert, said there probably had to be another explanation because the amount of female hormones changes throughout life

Wash. Times; 2-1-95

FDA consolidation plan hit as a 'Taj Mahal'

By Gretchen Lacharite C-6
THE WASHINGTON TIMES

A Food and Drug Administration plan to consolidate offices at Clarksburg and Prince George's County came under fire yesterday by a member of the House committee that will provide funds for the $889 million project.

Rep. John J. Duncan, Tennessee Republican, last night said Congress should reconsider the massive consolidation of FDA headquarters and laboratories at a federally funded "Taj Mahal" in Clarksburg.

"They want to do something that should outrage every taxpayer in the nation," said Mr. Duncan, a member of the House Transportation and Infrastructure subcommittee on public buildings and economic development. The panel has oversight of federal building projects.

But Sen. Barbara Mikulski, Maryland Democrat, said the FDA project is desperately needed.

"Americans need FDA so that Americans know the products they buy and use are safe and do what they say they will do," said Miss Mikulski last night.

"Right now, FDA is scattered and housed, in many cases, in the worst conditions imaginable, including in converted chicken coops and on top of a barn," she said. "FDA must modernize so it can get products to the marketplace faster and meet its responsibilities to the American public."

The project, expected to be completed by the year 2003, would consolidate 40 buildings operated by the FDA on 18 sites in the District and Maryland suburbs. The planned new headquarters in Clarksburg would house 5,645 employees in 2.6 million square feet of building area, with the first workers in offices by 1999.



Sen. Barbara Mikulski

The project also calls for addition of 800,000 square feet of office and lab space at the existing FDA facility in Prince George's County.

Mr. Duncan said the agency has already appropriated $318 million for the consolidation. But, calling the FDA "one of the most wasteful, inefficient agencies in the entire federal government," he said it is time to cut off funding for the project.

"At a time when we are supposed to be downsizing the federal government, the FDA wants to build a Taj Mahal complex of buildings in Maryland for a new headquarters," he said.

Mr. Duncan's comments on the House floor followed earlier testimony of C. Boyden Gray, chairman of the Citizens for a Sound Economy, before the agriculture subcommittee of the House Appropriations Committee. He said the Clarksburg site was the most expensive of several considered in Maryland.

Other sites considered were the King Farm along Shady Grove Road between Rockville and Gaithersburg and the Milestone-Marriott site in the northeast quadrant of Interstate 270 and Route 118.

But FDA spokesman Jim O'Hara said the consolidation has enjoyed bipartisan support since a General Services Administration report found the agency was inefficient, largely because of the number of facilities it operates in the area.

"Congress has made it clear through legislation that it believes this consolidation should take place," he said, but declined comment on Mr. Duncan's remarks.

The Clarksburg site was chosen in December, before the election of House Speaker Newt Gingrich, Georgia Republican, who has attacked the FDA as the country's "leading job killer."

Mr. Gingrich in September launched a "medical innovation project" to design a replacement for the FDA, and conservative think tanks are working on proposals to privatize the drug-approval process as some Republicans talk of privatizing or dismantling the FDA.

■ *Jeanne Dewey contributed to this report.*

N.Y. Times; 2-1-95

F.D.A. Cautions 3 Drug Makers on Pressure

D3

By MILT FREUDENHEIM

The Food and Drug Administration has warned Eli Lilly, Merck and SmithKline Beecham not to put pressure on doctors to prescribe their drugs for unauthorized treatment or to withhold "sufficient disclosures regarding the risks" of adverse side effects.

The agency said it was worried that the companies would abuse the power of the managed-care drug distributors, called pharmaceutical benefit managers, that the manufacturers have been acquiring since 1993. These units prepare lists of preferred drugs, which are provided at discount prices to health maintenance organizations and employers' health plans. An estimated 115 million people get their drugs through these companies.

The Food and Drug Administration made known its concerns in a formal comment to the Federal Trade Commission as part of the commission's review of a pending $4 billion acquisition of PCS Health Systems by Eli Lilly. A copy of the Jan. 26 letter was provided to The New York Times yesterday by a group that opposes Lilly's offer to buy PCS from the McKesson Corporation. The group requested anonymity.

"We believe that health care providers and patients need to obtain truthful, scientifically based and non-misleading information about pharmaceutical products," the F.D.A. said. It asked the trade commission to help "safeguard and clarify the marketing and communications aspects of these mergers."

Concern about prescription for unauthorized use.

F.D.A. officials have discussed their concerns with representatives of the three companies. An official said yesterday that the agency was not trying to block the Lilly-PCS deal. "We are trying to keep the marketplace honest as the marketplace changes," Mary K. Pendergast, a deputy F.D.A. commissioner, said in an interview.

Drug regulators have vigorously enforced a ban on manufacturers' promotion of drugs for uses not listed on Federal-approved labels. But there is no constraint on doctors' independently prescribing such off-label uses.

"With continued vertical integration," Ms. Pendergast said in the letter to the trade commission, "we are concerned that pharmaceutical companies may find new ways to circumvent these legal requirements."

Spokesmen for Lilly and Merck, which acquired Medco Containment Services, a managed health care drug unit, in 1993, confirmed yesterday that the companies had discussed the issues with the F.D.A.

"As F.D.A. comes to recognize the dynamics of the changing marketplace, they will realize that these concerns are misplaced," Edward A. West, a spokesman for Lilly, said.

Merck has told the agency that "we do not believe that the F.D.A.'s authority extends to pharmacy benefit management services," according to a spokesman, Kevin Colgan.

Both companies said they intended their products to be used in conformity with F.D.A. rules.

A SmithKline Beecham spokesman said no one familiar with the issue was available for comment. SmithKline bought Diversified Pharmaceutical Services last year.

The Federal Trade Commission has already approved the Merck and SmithKline deals, and it received public comments until Monday on an approval agreement with Lilly.

Mr. West of Lilly said the marketplace would "insist on medical appropriateness when it comes to the use of pharmaceuticals."

A spokeswoman for the Federal Trade Commission declined to comment on the letter from the F.D.A.

Wall St. Jrnl.; 2-1-95

Lilly's PCS Purchase Poses Certain Questions for FDA

B10

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON – A senior Food and Drug Administration official voiced concerns about drug-marketing practices that could arise from Eli Lilly & Co.'s $4 billion acquisition of PCS Health Systems.

Lilly, an Indianapolis drug company, acquired PCS in November, after agreeing to limit certain information exchanges between PCS and Lilly. PCS, which manages pharmacy benefits for over 50 million Americans, frequently negotiates discounts from drug companies and takes other steps to hold down members' costs.

In a letter to the Federal Trade Commission, Mary Pendergast, deputy commissioner of the FDA, said: "The acquisition of a major distributor of pharmaceuticals by a pharmaceutical manufacturer poses many new questions for FDA as well as for FTC." She cited concerns that drug companies "are actively promoting their products for unlabeled uses and without sufficient disclosures regarding risks and limitations."

The FTC's review of the Lilly-PCS transaction could, in theory, be reopened. But FTC officials haven't indicated eagerness to do so.

Wall St. Jrnl.; 2-1-95

Drug Industry Takeovers Mean More Cost-Cutting, Less Research Spending

By Elyse Tanouye
And George Anders B1
Staff Reporters of The Wall Street Journal

While the flurry of drug-company takeovers promises to create industry giants, *the deals—and those expected to follow*—are tilting the business toward cutting costs and away from the free-spending research and marketing of the past decade.

Far-reaching changes in the pharmaceutical marketplace are making consolidation inevitable, say Wall Street observers and drug industry executives.

"You've got a change in the balance of power," says Clinton Gartin, a managing director at Morgan Stanley & Co. who specializes in health-care acquisitions. Drug companies are losing their ability to boost prices at will and to persuade individual doctors to prescribe specific pills. Big customers are wielding more clout, as managed-care companies press for discounts and determine what pills millions of members can use.

Meanwhile, research labs have been largely frustrated in their attempts to develop a next generation of blockbuster drugs, while some bestsellers are nearing the end of their patent lives. "That's caused difficulty in raising prices and achieving growth," Mr. Gartin says. "So people need to achieve growth either through an increase in volume or a reduction in cost. Every one of the transactions we've seen is an attempt to do one of those."

In some cases, big drug makers may even use mergers to hack away at their once-cherished research and development departments, suggests Viren Mehta, a drug-industry analyst at Mehta & Isaly, New York. Mr. Mehta says these companies may eventually rely on small biotechnology companies to do most breakthrough research, and then market potential winners under licensing arrangements.

"This industry could end up being a handful of marketing and development companies, surrounded by a large number of research boutiques," he predicts.

The current takeover fervor is likely to create a leaner generation of giants. "Any time you put two organizations together, you get a chance to take costs out," says Eran Broshy, a health-care consultant at Boston Consulting Group. "And there are a lot of opportunities to trim fat in the pharmaceutical industry."

The biggest deal, **Glaxo** PLC's proposed $14.9 billion purchase of Wellcome PLC, could bring annual cost cuts of $800 million or more, analysts predict. Likely targets include eliminating duplication in corporate overhead, sales forces and manufacturing sites. Glaxo won't comment, but it has said it sees "significant opportunities to achieve operational efficiencies."

Several drug-industry takeovers completed last year have led to sizable layoffs and cost-cutting. **Roche Holding** Ltd. of Switzerland said it would cut 5,000 jobs after its $5.3 billion purchase of Syntex Corp. last October. Analysts think more belt-tightening is possible. "You could see cost savings of at least $300 million in a few years, and perhaps as much as $600 million," says Steve Buermann, an analyst at Merrill Lynch & Co.

Such takeovers also may give the combined drug company a better chance of winning business from big institutional customers, such as hospitals or managed-care organizations. "What managed care wants is one-stop shopping," says Morgan Stanley's Mr. Gartin. "They want to get as many of their products from one place as they can."

Some of the biggest customer channels, however, now are controlled by three drug companies: **Merck** & Co., **Eli Lilly** & Co. and **SmithKline Beecham** PLC. In the past 18 months, all have bought pharmacy-benefit-management companies, which run employers' prescription-coverage plans and handle drug buying on behalf of more than 100 million Americans. The acquisitions give the companies a big, relatively secure sales channel—and thus a potential competitive edge.

Prescription plans carry a full line of pharmaceuticals, including ones made by dozens of competing drug companies. Nonetheless, Merck says that its benefits-management unit, Medco, has been selling a greater share of Merck drugs than it did before Merck bought it in 1993.

The Merck, Lilly and SmithKline acquisitions "have put a whole lot of pressure on

Please Turn to Page B4, Column 3

Recent Acquisitions in the Drug Industry

DATE	ACQUIRING COMPANY	TARGET COMPANY	PRICE (billions)	WHAT THE BUYER GOT
Nov. '93	Merck & Co.	Medco Containment Services	$6.6	Distribution channel providing influence over prescriptions for 41.5 million patients
May '94	SmithKline Beecham	Diversified Pharmaceutical Services	2.3	Influence over prescriptions for 14 million patients
Aug. '94	Sandoz	Gerber Products	3.7	Consumer baby products
Oct. '94	Roche Holding	Syntex	5.3	Painkillers, anti-inflammatory drugs, research pipeline
Nov. '94	SmithKline and Bayer	Sterling Winthrop	2.9	OTC products, including Bayer aspirin in the U.S.
Nov. '94	American Home Products	American Cyanamid	9.7	Vaccines, antibiotics, generic drugs, Centrum vitamins, agricultural chemicals
Nov. '94	Eli Lilly	PCS Health Systems	4.0	Influence over prescriptions for 55 million patients
Jan. '95	Ciba-Geigy	Chiron	2.1	49.9% stake Biotechnology products and research pipeline
Proposed	Glaxo	Wellcome	14.9	Antiviral drug Zovirax, AIDS drug AZT
In negotiations	Hoechst	Marion Merrell Dow	—	Cardizem heart drug Seldane allergy drug, generic drugs

Source: Wall Street Journal research

Continued From Page B1

other pharmaceutical companies," says Mr. Broshy of Boston Consulting. That may be contributing to the current flurry of acquisitions, as rival drug makers figure that wider product lines will help maintain their presence in prescription plans.

A few drug companies are trying to diversify – one way to sidestep the tumult associated with managed care and enter a business with steady, albeit modest, profit margins and growth. **Sandoz** Ltd., for example, bought Gerber Products Co., the baby-food maker, for $3.7 billion last year. But some analysts are concerned that diversifying companies will lose focus on their core business and might lack the expertise needed to thrive in highly competitive consumer businesses.

Meanwhile, many drug makers are pursuing closer links with biotech companies – which increasingly are becoming feeder systems for drug discovery programs. Most such deals have involved small investments or licensing agreements. In an unusually big move, **Ciba-Geigy** Corp. last month agreed to buy 49.9% of **Chiron** Corp. for $2.1 billion.

Sidney Taurel, president of Lilly's pharmaceutical division, argues that big drug companies may do better if they shed some research costs and form partnerships with outsiders. Lilly has signed a series of two-to-three-year agreements with biotech companies that let it explore new areas, while being free to call it quits if nothing pans out, he notes.

Analysts say size-building acquisitions may be the drug industry's best near-term hope of reviving earnings growth. But companies still must confront the underlying problem of increasing sales and profits on mature products with dwindling patent lives.

"All of a sudden, pharmaceuticals aren't a growth business," says James Giblin, a health-care portfolio manager at Putnam Investments in Boston. Drug stocks, which for many years have sold at premium price-earnings multiples, reflecting their strong growth prospects, now trade at only about 14 times projected earnings for the next 12 months, about the same as the average industrial company.

In such a climate, Mr. Giblin says, acquisitions "only make sense on a cost-cutting basis."

Wall Street analysts say more big drug combinations could lie ahead. Companies such as **Upjohn** Co. and **Warner-Lambert** Co. are periodically mentioned as targets; both companies said they don't comment on rumors. Mehta & Isaly's Mr. Mehta, in fact, jokes that the industry could become as concentrated as the car business, where many analysts follow only the Big Three domestic auto makers.

But too-rapid consolidation may not be good news for consumers, says Merrill Lynch's Mr. Buermann. "If I'm sick, I don't want just three companies looking for a cure," he says. "I want 10 or 15. I think I've got a better chance that way."

Balt. Sun; 1-29-95

College drug arrests rise; other crime rates decline

Associated Press 22A

WASHINGTON — The number of drug arrests increased sharply on the nation's college campuses in 1993 while murder, rape and burglary rates declined, according to an annual survey.

Campus officials reported a total of 4,837 drug-related arrests, 34.3 percent more than the 3,601 reported for 1992. The numbers were contained in a survey of 796 schools released today by the *Chronicle of Higher Education*.

Aggravated assaults rose by 2.7 percent, but the number of rapes declined by 19.9 percent and burglary dropped 4.5 percent.

Fifteen murders were committed, down from the 17 reported in 1992, the survey found.

A 3-year-old federal law requires colleges to compile crime statistics and provide them to students and staff.

The *Chronicle* based its data on the security reports of 796 colleges and universities with enrollments of more than 5,000.

The University of Michigan at Ann Arbor reported no murders, six rapes, seven robberies and 30 aggravated assaults in 1993. According to the survey, there were 215 drug-related arrests and 12 arrests for weapons violations.

Among the crimes reported by Dartmouth College in Hanover, N.H., were 106 arrests for liquor-law violations.

At Winona State University in Winona, Minn., there were no arrests for liquor, drug or weapons violations, but the school did report three forcible sex offenses and three aggravated assaults in 1993.

Although school officials worry about a general increase in violent campus crime, they caution that higher numbers may simply indicate more aggressive law enforcement and more accurate reporting.

Differences in the way crimes are reported and categorized may also skew campus crime data, school officials say.

Rapes, for example, are not always included in the statistics from campus police if the assaults were reported only to residential advisers or campus rape crisis centers.

The University of Minnesota-Twin Cities, which previously counted only sex offenses reported directly to police, listed all sex offenses reported to its housing department and sexual violence center in the 1993 report.

That increased the number of such incidents — which include forcible rape, sodomy, fondling or sexual assault with an object — from seven in 1992 to 32 in 1993 at the school of about 40,000 students.

Balt. Sun; 1-28-95

Charles N. Long
Social Security employee

Charles N. Long, a telecommunications specialist for the Social Security Administration, died Tuesday at St. Agnes Hospital after suffering a heart attack at his Catonsville residence. He was 45.

He had worked at SSA headquarters in Woodlawn since 1990. He had served in the Air Force for 21 years and retired as a master sergeant in 1990.

Born and reared in Peekskill, N.Y., he was a graduate of schools there.

Graveside services will be held Monday in Peekskill. Services were held yesterday in Baltimore.

He is survived by his fiancee, Deborah Carter of Baltimore.

Memorial donations may be made to New Fellowship Baptist Church, 346 N. Dennison St., Baltimore 21229.

Balt. Sun; 1-28-95

Gilda D. Garrett
SSA supervisor

Gilda Delores Garrett, a retired Social Security Administration supervisor, died Jan. 18 at Good Samaritan Hospital of complications of cancer. She was 53 and lived in the Northwood area.



1988 PHOTO

She retired last year after 30 years of federal service. She had worked for a short time for the Internal Revenue Service before moving to SSA.

The former Gilda Delores Jones was a Baltimore native who graduated from Western High School in 1959 and from what now is Morgan State University in 1963. She did graduate work at the Johns Hopkins University, Loyola College, American University and George Washington University.

She became a member of Alpha Kappa Alpha Sorority at Morgan in 1960 and later served as president of the sorority's Epsilon Omega graduate chapter, which presented her with its Vivian J. Cook Award.

She was also a former president of the Maryland League of Women's Club's, parliamentarian of the Baltimore County chapter of the National Association of Negro Business and Professional Women's Clubs, and a member of the boards of Planned Parenthood of Central Maryland and the Maryland Minority Contractors Association.

She was a member of Blacks in Government, the National Political Congress of Black Women and the National Black Women's Health Project, and the Strictly Social Club, the Connection and the Pinochle Pals social clubs.

Services were set for 10:30 a.m. today at Epworth United Methodist Chapel, Liberty Road and St. Luke's Lane in the Woodmoor area.

She is survived by her husband, Leon Marvin Garrett Sr.; a son, Leon Marvin Garrett Jr. of Baltimore; her father, Pythias A. Jones of Baltimore; two brothers, Alvin A. Jones Sr. of Baltimore and Dr. Pythias D. Jones of Cleveland; and two sisters, Ernestine Jones Jolivet of Randallstown and Verna Lynn Jones of Baltimore.

Wash. Times; 1-28-95

Making a game of right Decisions

Your family can't pay the rent and faces eviction. A friend offers to help: He'll give you some cocaine to sell. What will you do?

By Denise Barnes
THE WASHINGTON TIMES

B1

Larijae Whyte, 15, wants to set records playing football for the University of Maryland.

First, though, he's got to graduate from Wilson High School and continue to make wise choices about his future. As a teen-ager today, making choices is not always easy. But it's easy for Larijae.

"When I'm at the basketball court, and I'm asked to smoke marijuana, I say 'no,' " the District resident says with ironclad resolve. "They call me names, but because of the game, I feel comfortable saying 'no.' "

He's talking about Decisions, a drug-prevention tool that asks the tough questions, such as the one above and this one:

Your closest friends all belong to a special club and have asked you to join. To do so, you have to drink a whole bottle of rum. What will you do?

While these may seem to be only questions on a board game, but for many children, they're daily dilemmas.

"This is a unique way to experience the feelings and emotions associated with making good and bad decisions," says Phillip Davis, the game's creator. He's one of the program directors for the nonprofit For Love of Children, a District child care organization.

Mr. Davis says he created the game to help children learn how to make wise decisions. He says he discovered through his work with



troubled youths that difficult situations and peer pressure often force children to make poor choices.

"The game is designed to be fun for children and parents," he says, "just like Nintendo and Sega.

"But Decisions has the potential to save our childrens' lives."

It teaches situation-management techniques, he says, which place children in positions with people who are very close to them, such as siblings, aunts, uncles, girlfriends and boyfriends. And, he says, the game teaches them how to say "no" to people whom they love and trust.

"As human beings, we have a strong need to be socially accepted. Whether we're children or adults, we'll adopt new behaviors and attitudes necessary to feel accepted by a particular group," he says.

"One of the ways we as parents can prepare our children to manage relationships with people who they are close to is to create simulated situations," Mr. Davis says. "They allow the child an opportunity to practice managing their feelings and emotions necessary to make good decisions."

Mr. Davis is a native Washingtonian with 15 years' experience in counseling abused and neglected youths. The 38-year-old father of two teen-age sons says when he began to develop the game in 1990, he looked closely at the current messages in the media: "Just say 'no' "; "Don't use drugs" and "Down with dope."

Those messages were good to warn teens to avoid drugs and drug dealers, he says. However, 98 percent of young people have their first experience with drugs and alcohol with people who are closest to them, Mr. Davis says.

"Friends and family members are the first dealers, not strangers. By the time a drug

Cont'd on next page



Photo by Peter A. Harris/The Washington Times

Phillip Davis, creator of Decisions, plays the game (above) at For Love of Children; Michael Simpkins (below) says it is "lots of fun and exciting."

GAME

from previous page

purchase is made from a dealer, a habit has already developed," he says.

"It's not that kids can't say 'no' to drugs; they can. Children can't say 'no' to the people who are close to them for fear of losing those relationships," he says.

The visually stimulating board game is designed for ages 7 to adult and can be played by one to six players or teams.

Because the game is a drug-prevention tool, Mr. Davis says, children learn to take responsibility for their actions by answering tough discussion questions about the fatal consequences of drug and alcohol use in first-person responses.

"When you ask children or adults what could happen to them if they're involved with alcohol or drugs, they will naturally look outside of themselves and talk about what could happen to others," Mr. Davis says.

"By responding in the first person, it allows the children to take full responsibility for their behavior and the consequences."

The center of the brightly colored game board depicts several real-life scenes: jubilant graduates proudly holding their diplomas, a drug-treatment facility, a teen-age Rollerblader in a drug-infested neighborhood and a young man who is about to make a good decision.

The game has four color-coded lanes with corresponding game cards: Education and Awareness, Scenario Play, Role Play and Opportunity for Vision. Questions can be multiple-choice or can be designed to generate discussion among players, parents or teachers.

"All the lanes are important," Mr. Davis says. "However, the Role Play lane creates the most significant impact on the child's values, by allowing the player to experience what they could possibly lose by making a bad decision."

Each player receives a report card to keep score, getting an A if the question is answered correctly. If the question is answered incorrectly, the parent or teacher who serves as facilitator returns to the question and discusses the correct answer with the player. Game participants graduate if they accumulate a certain number of A's.

"What we are discovering is that the game is impacting self-esteem. Children want to earn A's. If we can re-create that and make it a good experience for them in the game environment, they may want to earn good grades in school," Mr. Davis says.

Parents who play the game with their children can better learn how to protect them from potentially dangerous situations involving drugs and alcohol, he says. It also provides an opportunity to observe how their child would react during critical situations, he says.

"Parents can learn how to talk to and listen to their children in a non-threatening manner," he says, "because the questions are being posed in the form of a game, and it's not a lecture."

Although the young sports enthusiast Larijae Whyte says he is ridiculed by some of his peers for not using drugs, he says drugs are not in his game plan. And Decisions has helped that.

"It makes the player[s] recognize although drugs and alcohol could make you feel good for a certain amount of time, you could die or have brain damage or lose your eyesight," Larijae says.

The lifetime consequences of drug and alcohol use have left an indelible impression upon 15-year-old Ben Dickerson. Ben, who also attends Wilson High School, says Decisions puts players in realistic hypothetical situations. It shows the real consequences of actions, he says.

"The Role Play lane puts you in situations that might happen, such as being paralyzed or blinded [because of drug use or affiliation with drug users]," he says.

The first time he played, Ben says, he played with his mother and 14-year-brother. As part of being in the Role Play lane, he "suffered" a stroke from cocaine use and was paralyzed on the right side of his body.

"I only had use of my left arm, and I had to tie my shoe strings. Afterward, I got to share how I felt [being in that position] and it was a bad feeling," he recalls.

The game, he says, also allows him to feel comfortable talking with his mother about some of his friends who aren't using good judgment.

"I can say no to drugs based on the values instilled in me by my parents," he says. "But I especially like the report card and the graduation aspect of the game. After it's over, you feel like you've accomplished something."

Whenever Raynette Williams has some free time between her rigorous class schedule at Lemon G. Hine Junior High School in the District, she and her classmates play the thought-provoking game.

The 14-year-old ninth-grader says it has helped her know what to do in potentially dangerous environments with drugs and alcohol and how to handle them calmly and confidently.

"Always think before you react," she says.

Raynette says she's thankful that she hasn't yet been confronted with the types of difficult decisions presented in the game. Still, she says, there wouldn't be any question in her mind about disassociating herself from people who use drugs and alcohol.

"I'd rather lose a friendship than be a part of drugs and alcohol," she says. "The game is the first step in preventing children and teens from becoming involved in the wrong things."

Michael Simpkins is somewhat of a veteran Decisions player. The bright-eyed 14-year-old student at Deal Junior High in Northwest says he's been playing the game since he was in the sixth grade. And he describes the drug-prevention tool as being "lots of fun and exciting."

"I've learned a lot about drugs and alcohol by listening to other people answer their questions and through the discussions that come from the questions," he says.

"It's exciting for me when I get an A for making a good decision. And I think the game is a great way to learn to make better decisions because you never want a Role Play situation like being paralyzed for life to happen."

Playing the game of life

Here are some sample multiple-choice questions from the board game Decisions. Correct answers are in bold:

Your family can't pay the rent and you are about to be evicted from your home. Your friend has offered to help. He says that he will give you some cocaine to sell. What will you do?

A. Take the cocaine and sell it.
B. Refuse the offer and discuss it with your family.
C. Do nothing. It is not your problem.

Your closest friends all belong to a special club. They have now asked you to join but, to join, you have to drink a whole bottle of rum. What will you do?

A. Do it because you really want to be a part of the club.
B. Ask if you can drink a cupful.
C. Say to them, "I really care about you. If you really care about me, you won't ask me to do something that might hurt me for life or possibly kill me."

You witness your brother selling drugs after school. He is surprised and also embarrassed when you approach him and ask what he is doing. He offers to buy you a pretty gold link chain if you promise not to tell on him. What will you do?

A. Accept the gold chain and don't tell your parents.
B. Tell your parents, because you know that your brother can get killed or locked up in jail, and you don't want that to happen to him.
C. Do nothing.

Your father drank about six cans of beer and now he is drunk. He asks you to come and take a drive with him to the store. What will you do?

A. Do it because your father asked you to.
B. Tell him that you love him, and you know that he loves you, but drinking and driving can hurt or kill you both and that you don't want that to happen.
C. Don't worry about it because your father is an adult, and adults can drive safely when they are drunk.

■ For many children, these aren't just questions on a board game, they're daily dilemmas.

Editorials & Op-Ed

Today's debate: WELFARE REFORM

USA Today; 2-1-95

Protect welfare for needy

OUR VIEW **States can lead the way to reform. But a federal safety net must stay intact.**

Welfare "as we know it" is on the operating table. The question now is: Will the surgeons hopelessly maim the patient while trying to cure the disease?

It's a possibility given the range of change now bandied about by President Clinton, Congress and governors meeting this week in Washington.

All favor turning more authority back to states — a sensible idea. But before cutting the heart out of the federal dinosaur, it's important to remember that Washington waded into the welfare swamp because states couldn't or wouldn't meet the needs of the most desperate.

In 1935, Aid to Families with Dependent Children (AFDC), today's largest cash program for families with kids, was created to help struggling widows. More than 30 years later, Washington guaranteed strong food stamp and school lunch programs to ward off starvation and malnutrition.

Those programs formed a safety net for the most needy. Today's challenge is to save that safety net while finding new ways to break the cycle of poverty.

States argue that they're best equipped to take the reins. And not without reason. As states have gained latitude in recent years, they've fine-tuned the system with work incentives, job retraining, child care and programs to deter teen-age pregnancy.

But like all simplistic cures to complicated ills, it's not that easy.

A single no-strings block grant to states in place of hundreds of welfare programs, as proposed by congressional Republicans, would allow them more freedom to tailor programs to local needs. But their capped funding levels carry huge liabilities most states can ill afford. If there's a recession, a major industry closure, a natural disaster, states cannot ask Washington for more money to handle the extra food and unemployment needs. So the needy get less. The safety net is frayed.

If money runs out, do you just apologize to hungry kids and families for bad math?

Just as bad, some states would slash away vital protections.

Some would guarantee suffering — arbitrarily cutting off benefits to teen-age unwed mothers; rigidly applying deadlines for finding a job regardless of availability of employment or ability to work; putting children into group homes, not because of abuse but because families don't have enough money.

That's why a basic safety net must stay. Programs such as AFDC, food stamps and school lunches mean the difference between survival and starvation for millions of children, elderly and disabled.

No, federal welfare hasn't won the war on poverty. But it has eased the suffering of the poor. And that's a victory by any humanitarian measure.

USA Today; 2-1-95

Give states free rein

OPPOSING VIEW **Cut the safety net. States know best how to protect their citizens.**

By Phil Gramm

Some folks still don't get it. The federal government's one-size-fits-all policy was repudiated by the voters in November, but true believers continue to look to Washington to solve our welfare problem while ignoring the extraordinarily creative reforms launched by states.

In recent years, the states — not the federal government — have been at the cutting edge of welfare reform. Consider the following examples:

▶ Washington state, by requiring an intense, 30-day job search before anyone could collect an Aid for Families with Dependent Children check, cut welfare applications by 15% and reduced caseloads by another 7%.

▶ A strict work requirement — no work, no check — on two-parent AFDC families in Ohio put most of the fathers to work and cut caseloads by 35% for AFDC two-parent households. A similar requirement in Utah cut two-parent AFDC costs by 92%.

▶ Wisconsin Gov. Tommy Thompson's initiatives, including work requirements and "learnfare," reduced the state's welfare rolls by almost 60,000 recipients.

These states and others are showing us how to repair the failures of welfare. Any federal welfare reform should encourage these innovations. Now, though, federal rules and mandates make it extremely difficult for states to reform welfare.

This has got to change. We must build upon the successes that states have already achieved by adopting three key principles to guide federal reforms: (1) a strong work requirement, (2) no additional benefits for additional children while on welfare, and (3) no one riding in the wagon gets more than anyone pulling the wagon.

These should be the basic principles of welfare reform at the federal level, but states should have the flexibility to take the money Washington would spend on the new federal program and do it their own way. For too long, Congress has assumed that Washington bureaucrats loved the people of Wisconsin more than Governor Thompson or Wisconsin lawmakers did. But these state leaders have proved their compassion by taking steps to get more of their people off welfare and on the path to the American Dream.

The federal government should watch and learn, and not try to tie their hands.

Sen. Phil Gramm, R-Texas, is a former economics professor at Texas A&M University; and is scheduled to formally announce his presidential candidacy later this month.

Wall St. Jrnl.; 2-1-95

Want Welfare Reform? First Fight Legal Services Corporation

The president, Congress and the governors have spent long hours this week talking about welfare reform. There are plenty of obstacles to legislation, notably how much flexibility to give the states to run their own welfare programs. But as Congress crafts a bill, it should be mindful that legislation is only the first hurdle to welfare reform. Litigation is the second.

To ensure that the reforms secured in legislation are not undone in the courts, Congress must confront the Legal Services Corporation and the Supreme Court precedents propping up the welfare state that the LSC has achieved. Failure to do so will doom this latest welfare-reform effort to the shoals of litigation upon which so many previous efforts have foundered. If pending LSC actions prevail, it will be impossible for states to design and implement welfare programs tailored to local needs.

Rule of Law

By William Mellor

Look at what's happening in New Jersey. A federal district court heard oral arguments last week in *C.K. v. Shalala*, challenging a provision in the state's new welfare-reform law that caps payments to welfare mothers who have more children. The lawsuit, brought by the LSC, the National Organization for Women and the American Civil Liberties Union, claims that the provision is an unconstitutional violation of a woman's right to procreate.

The Supreme Court will decide two welfare-reform cases this term that were initiated by the Western Center on Law and Poverty, an LSC affiliate in California. Both arise from California's efforts to cut welfare expenditures.

Anderson v. Green challenges the state's restriction on benefits for welfare recipients who move to California. Under the California law, for a period of one year newcomers would receive payments equal only to the payments they would have received in their home states, instead of California's more generous payments.

Anderson v. Edwards is a technical case that addresses the question of a how a "family unit" is defined for the purposes of calculating welfare payments. At issue is the proper payment to the caretaker of two unrelated children living in the same household. California sought to save money by recognizing the caretaker and children as one family unit with payments the same as if the children were siblings. The LSC contends that the benefits for each child should be computed separately, resulting in a higher payment.

The welfare-reform proposals in California and New Jersey are not unique. New Jersey-style caps have already passed in Arkansas, Georgia, Indiana, Wisconsin, Kansas, Arizona, California and Virginia. But whether such welfare reform comes from Washington or state capitals, the LSC intends to stop it dead it its tracks.

The Legal Services Corporation was created by Congress in 1964 as part of the War on Poverty. Its charter envisioned providing low-income people with legal assistance in civil matters. But instead of just helping the poor with problems such as child support and rent disputes, LSC lawyers have worked for years to get the courts to enshrine a constitutional right to welfare.

Guided by a brilliant strategic litigation plan, in its first decade the LSC obtained vast new procedural and constitutional rights for welfare recipients that have made it difficult for Congress or the states to reduce benefits or restrict eligibility. From 1968 to 1975, the Supreme Court decided 18 welfare cases. LSC initiated most and won a majority of them, although the court rejected LSC's ultimate goal of establishing a constitutional right to welfare. Over the next two decades, Congress and the Supreme Court curtailed some of the early LSC victories, but that hasn't altered the LSC's commitment to an expansive welfare-rights agenda.

Nothing challenges the LSC agenda as profoundly as the notions of limiting benefits or seeking to change welfare recipients' behavior by attaching conditions to grants. If, as seems likely, these principles become law, the LSC will follow its usual pattern of filing lawsuits on every possible procedural and technical basis seeking to grind reform efforts to a halt.

To thwart the LSC, Congress's first job in drafting welfare-reform legislation is to address *King v. Smith* (1968), the LSC's first success in the courts. In *King*, the Supreme Court interpreted Title IV of the Social Security Act of 1935, which created Aid to Families With Dependent Children (AFDC). The court struck down an Alabama regulation that denied benefits to otherwise eligible children because the mother "cohabited" with a man.

Instead of just helping the poor with problems such as child support and rent disputes, the Legal Services Corporation has worked to get the courts to enshrine a constitutional right to welfare.

King could have been decided narrowly and limited to its facts, but Chief Justice Earl Warren seized the opportunity to strike down the Alabama regulation by an expansive interpretation of Title IV and its legislative intent. Warren decided that aid provided under Title IV was intended to go to children, not to parents. Thus, Alabama couldn't carve out a group of needy children based on the conduct of their mothers and deny them aid. "Protection of such children," Warren wrote, "is the paramount goal of AFDC."

And here lies the rub. Reformers are seeking to change the perverse incentives of the current system and encourage responsible behavior by adult recipients. But any limit or cap would create two groups of equally needy children as in *King*: those who receive aid and those who don't.

In fashioning legislation, Congress must address the rationale of *King* as to the scope and paramount goal of AFDC. It must end the legal fiction created in *King* that children exist independently of their families and reject the notion that parental conduct cannot be considered when designing benefits. In doing so, charges will be made that children are being sacrificed for ideological reasons.

Congress will be tempted to avoid this heat as it has in the past when efforts to overturn or modify *King* legislatively failed. It might seem all too easy to insert a time limit or cap while leaving the rest of Title IV intact and still subject to the *King* rationale. The resulting ambiguities and contradictions would spur LSC litigation that, even if eventually unsuccessful, could paralyze welfare reform for years.

Congress could take pre-emptive action, using its appropriation power to cut off LSC's ability to challenge welfare-reform legislation; it could even legislate the LSC out of existence, as Ronald Reagan tried to do. But even if the LSC disappears, dozens of other liberal advocacy groups are ready to fill the void.

Congress needs to act with care and foresight when it drafts welfare-reform legislation. Lessons from the streets over the past 30 years compel welfare reform; lessons from the courts must ensure its success.

Mr. Mellor is president of the Washington-based Institute for Justice, which is helping to defend the New Jersey welfare-reform law.

William Raspberry

Wash. Post; 2-1-95

A Matter of Attitude

For years, the welfare-reform debate was over how to force poor people into behavior that might move them toward independence. Should we force them into job training (whether they want it or not)? Should we do "workfare," in the belief that, while work is good for the soul, some people won't work unless they're forced to? Or should we have a time limit—two years and out—on public aid?

Today's debate involves some new premises, including this one: The important question is not whether to help, or how much, or for how long; it is *how* to help.

What is driving this changed debate is the growing recognition that long-term dependency is as much a matter of attitude as of objective circumstance—and that private charities have been much more adept than public ones at changing attitudes.

There's nothing mysterious here. Public aid is automatic, requiring only that a person be in need. Private help is, by its nature, conditional: I'll help you *if*. . .

The problem, of course, is that there's not enough private help to meet the needs of the poor. Charitable giving for the poor is in decline—off by as much as a third since 1960—perhaps in part because it is being supplanted by no-strings public help. And the most effective charity—assistance that involves not just money but personal involvement—seems to be giving way to the I-gave-at-the-office syndrome.

That's why the bill introduced yesterday by two House Republicans—Joe Knollenberg of Michigan and Jim Kolbe of Arizona—is so interesting.

The "Common Sense Welfare Reform Act of 1995" would allow taxpayers to give as much as 10 percent of their federal income taxes directly to private anti-poverty efforts in their states—and claim a dollar-for-dollar tax credit for the contribution. The fact that the contributions (up to a maximum of $2,500 a year) would come directly from citizens should make the donors more generous and the charities more responsive. And the net cost to the federal government would be zero. The legislation would transform some 66 separate programs—food stamps, free school lunches, housing assistance—into block grants to be given directly to the states. Every dollar contributed to a qualified charity within a state (up to the $2,500 limit) would be deducted from that state's block grant.

The receiving charities would have to meet existing tax-exempt requirements and also spend at least 70 percent of their contributions on direct services to the poor. Churches that wish to participate would have to establish separate charitable entities.

The proposal, as Jim Kolbe told me, is "designed to reinvigorate the private charity sector and also engender more competition for public charities." Because he and Knollenberg aren't sure how the scheme might work out in the long run, they are taking a go-slow approach, with a five-year phase-in.

The ultimate success of the idea (assuming some version of it is enacted) would depend on how accurately Knollenberg and Kolbe have diagnosed the problem they hope to cure.

If the principal problem is the lack of entry-level jobs for the unskilled—and an inability of job trainers to equip the long-term dependent with the necessary skills—then nothing much will change.

But if the congressmen are correct in their view that the important thing is to change attitudes—and that private agencies, with the ability to set conditions for the help they give, are better able to influence attitudes—then significant change could be possible.

Not only would contributors take a greater interest in the success of the programs to which they contributed; they might also take a more personal interest in individual clients, providing counseling, job-placement help and other assistance in addition to the tax-refundable donation.

Kolbe and Knollenberg understand that how we help can matter more than how much we help. The cost to an individual is the same whether the charitable contribution is a part of his tax burden, a payroll deduction to the United Way or a check he hand-delivers to a charity in which he has a particular interest. But guess which of the three is most likely to prove most helpful to the recipient and most rewarding to the giver.

Maybe that's why the sponsors of the bill call it "common sense" welfare reform.

The Nation. February 13, 1995

SUBJECT TO DEBATE.

KATHA POLLITT

The thing to understand about orphanages, as they figure in the national fantasy life that is politics, is that they aren't about orphans. They aren't even about what some commentators are calling "social orphans"—victims of extreme abuse or neglect; runaways and throwaways; kids who've spent years bounced around between relatives and foster care and are too old or traumatized to be adopted. A lot of smart people are confused about this. In the January 12 *New York Review of Books*, James Fallows speaks of "Gingrich's recommendation that children be taken from unfit parents and placed in orphanages"; in our own pages, Christopher Hitchens cites the Republicans favorably for proposing "government-run institutions" as the way to house "a vast population of abandoned or semi-parentless children." All over newsland, Republican spinmeisters are asking if it isn't better for kids to be in orphanages than to be abused, and media people are wondering out loud if the Republicans aren't on to something. I've received an eloquent letter along these lines myself from a *Nation* reader, illustrated with stories of parental cruelty that would curl your hair and charging me with favoring abstract parental rights over the well-being of children.



At the risk of stating the obvious, I have to point out that orphanages did not enter public discussion as a possible answer to the question, How can society rescue children from unfit parents, chaotic homes or the streets? The law already permits such children to be taken into care, and right now nothing prevents either public or private agencies from setting up congregate-care facilities for them. But providing for children whose parents cannot care for them is not something society is particularly interested in. New York City, for example, will soon be inundated with *real* orphans—by the year 2000, children left parentless because of AIDS will number as many as 34,000. You don't hear much urgent talk about the need to start planning now to care for them—the notoriously dreadful foster care system is already overloaded—much less about putting aside funds to set up orphanages.

No, the reason we are suddenly talking about orphanages is not because we are thinking about waifs and strays and child abuse. It's because we are thinking about *welfare*. Orphanages were the answer Newt Gingrich gave to the question, What will happen to the babies if you ban welfare for single teenage mothers? This was before the firestorm of ridicule forced him to pretend he was talking about Spencer Tracy's wonderful work at Boys Town. And orphanages are the answer given by the far-right "values" zealots—Charles Murray, Robert Rector of the Heritage Foundation, William Bennett—to the question, How can "illegitimate" births be curbed? The orphanages under consideration are not real buildings, with professional staffs and playrooms and heating bills, but ideological constructs—threats. Orphanages, in other words, are about women: about reinforcing the sexual double standard—a Victorian value Gertrude Himmelfarb forgot to mention in her recent *New York Times* paean to the nineteenth-century orphanage as the embodiment of Victorian decency and virtue—and about forcing women into marriage for economic survival.

The orphanage is about depriving women of their children not because those women are unfit parents—abusive, violent, neglectful, crazy, criminal, dangerous, incestuous, out of their minds on drugs or alcohol—but because they are young, unmarried and poor. That's it! It's about "restigmatizing illegitimacy," i.e., making out-of-wedlock motherhood so painful that young women will eschew it, thus saving Western civilization, which Robert Rector told *The Wall Street Journal* is what's really at risk here. If the stakes are really that high, you might think a little birth control and abortion would be in order. But besides drawing the wrath of the pro-lifers and abstinence crusaders, that would go counter to the underlying psychology of welfare reform, which is to discipline and punish the poor, especially the black and female poor, for their imagined vice, depravity and laziness.

That even a decent liberal like James Fallows can mentally substitute "unfit parent" for "welfare mother" without anyone on the staff of the pre-eminent liberal intellectual magazine in the country picking up on it shows how far beyond the bastions of Republican crackpottery these attitudes extend. In Fallows's case, it's all the more remarkable because his wife, Deborah Fallows, is the author of *A Mother's Work*, a fierce defense of stay-at-home motherhood as honorable, important, socially valuable work that is the best arrangement for children.

Come to think of it, *lots* of upper-middle-class moms wrote books and articles and Op-Eds along those lines in the 1980s. How come we don't hear from them now about the motherless lives being planned for the nation's poor children, and about the outrageousness of equating a mother's parental fitness with paid employment? Make no mistake, that is what's happening on both sides of the aisle. Donna Shalala, who last December blasted Republican talk about orphanages, now admits that Clinton's plan too will mean that some mothers will lose their kids—not because they are bad parents but because they "refuse" to work.

Group homes may indeed be a good way to care for select populations of troubled adolescents; they may even be a good way to help some young mothers escape abusive families and predatory men, as the Progressive Policy Institute proposes. But when Gingrich and Murray and the rest talk about orphanages they are not talking about providing carefully chosen candidates with intensive social work in a residential setting.

They chose that word, with all its connotations—of shame, neglect, warehousing, fear, death—because that was the word they meant.

Wall St. Jrnl.; 2-1-95

Infant Mortality, Mother's Morality

By KENNETH PRAGER

A paper presented at the latest meeting of the American Public Health Association by two sociologists and reported in a recent issue of the Journal of the American Medical Association presents what might seem, at first glance, to be a paradox.

Data compiled by Ruben Rumbaut of Michigan State University and John Weeks of San Diego State University showed that between 1978 and 1985 the infants of immigrant women in San Diego County, Calif., had significantly lower mortality rates than did those of U.S.-born women in the same county. The immigrants, however, had higher indexes of poverty, unemployment, welfare dependency, and late prenatal care than did their American counterparts. In addition, many were illiterate and had scant education and poor job skills.

The contrast was most striking between immigrant Vietnamese women, with infant mortality rates of 5.5 deaths per 1,000 live births, and African American women, with rates of 16.3 deaths per 1,000. The study's findings were in fact felt to be so unexpected that the JAMA article was titled "Born in the USA: Infant Health Paradox."

The so-called paradox of poorer immigrant women having healthier newborns than their better-off American counterparts was explained when certain variables hidden in the data were used to paint a portrait of the American mothers. What was most striking was that the U.S.-born women has a history of more medical psychosocial pathology than the immigrants. For example, they had more sexually transmitted diseases and more alcohol and drug abuse than the foreign-born mothers. They also had more risk factors for AIDS and were more depressed.

The authors concluded that the viability of the newborns was harmed more by the unhealthful *behavior* of the American mothers than by the poverty and late prenatal care of the immigrant women. The socioeconomic advantages of the U.S.-born women were overshadowed by their medical illnesses and by their psychosocial pathology.

The true paradox in all of this is not that unhealthy and self-destructive behavior of pregnant women is worse than poverty and late prenatal care for the health of the fetus and newborn, but that health care researchers and journalists should be surprised at these findings. Practicing physicians take this for granted. The further one gets from the ivory towers of academic medicine, the more one realizes that quality and access of medical care matter less to health outcomes than does the health-related behavior of individuals.

I recall the "paradox" of my two years as a physician on a Sioux Indian Reservation in South Dakota, when it became apparent that the health statistics of the Indians I cared for were much worse than those of the white ranchers who lived in the area. This was true despite the fact that the Indians of the Cheyenne River Sioux Tribe had ready access to and free care at a modern hospital staffed by excellent nurses and four physicians trained at leading U.S. medical centers. The non-Indians in Eagle Butte and its environs were prohibited from receiving care at the hospital. Moreover, they had to travel more than 100 miles to the nearest comparable medical facility where the care was certainly not free.

The far poorer Indian health indexes were largely a reflection of the rampant alcoholism and other forms of self-destructive behavior, for many and complex reasons, of members of the reservation. They were certainly not due to poor medical care or inadequate medical access.

The Rumbaut and Weeks infant mortality study and experiences such as mine on the Indian reservation suggest that the knee-jerk response of more and better health care in response to poor health data is not always the most effective way to spend scarce health care funds. Knowing that it is notoriously difficult to change human behavior in areas such as sexual conduct and substance abuse, it makes little sense to continue to invest scarce health care dollars once reasonable prenatal care is provided to women with significant self-destructive behavioral problems in these areas. Infant mortality rates among these women will most improve if and when the complex societal, cultural and familial reasons that led them to their unhealthy behavior are modified.

In a time of limited medical resources, it behooves public health officials to devote more resources to the diagnosis, treatment and prevention of illnesses that afflict people who are medically underserved and who are motivated to get and stay well. Continuing to raise spending on diseases that are directly related to self-destructive and unhealthy behavior while inadequately funding treatment of less glamorous but more treatable diseases is wrong. Examples of the latter include mammography and pap smear clinics in poor neighborhoods. Breast and cervical cancer are subject to life-saving early detection and there is every reason to believe that women would be positively motivated to do go for screening if they had better access to adequate facilities. The treatment of asthma in inner cities is another example of care that is currently woefully inadequate and that can be very effective with relatively modest infusions of public health dollars.

This is not an argument for neglecting patients with diseases that are largely behaviorally induced. But we are searching for the pot of gold at the end of the rainbow if we think that more and better care will equalize the health of these patients with those, such as the Mormons in Utah, who are far healthier because they lead lives of sobriety based on traditional values.

There are many reasons why the U.S. ranks 24th in infant mortality rates in the world, and they are not related to a callous or unskilled health care system. Infant mortality is the net result of a multitude of complex interacting variables. The Rumbaut and Weeks findings demonstrate that sexually promiscuous mothers or those who abuse drugs or have psychosocial pathology are in part responsible for these unflattering statistics. Unless our public health agenda is fueled by the sort of careful analysis that went into these researchers' efforts, we will perpetuate the simplistic and expensive notion that even behaviorally related medical problems can be solved by more and better health care facilities.

Dr. Prager is a pulmonary physician at Columbia Presbyterian Medical Center in New York.

Balt. Sun; 1-28-95

Beating Up on Deadbeats

By GLENN McNATT

Faithful readers of *The Evening Sun* opinion page recently were treated to a fascinating exchange on the subject of child support — an issue that Maryland lawmakers also will be paying a great deal of attention to in coming weeks.

On January 11 Robin Miller, a Baltimore cab driver who over the years has written many opinion pieces for the paper, penned an essay entitled "The pain of a deadbeat dad," in which he confessed to owing thousands of dollars in child-support payments to his ex-wife.

Mr. Miller said the child-support laws of Maryland put men like himself in an impossible position because prosecutors and judges routinely order fathers to pay more than they can reasonably afford, or face the possibility of going to jail.

"Telling a man who earns under $200 a week that he has nine weeks to raise $2,500, and ordering him to pay another $120 a week at the same time, is asking him to do the impossible," Mr. Miller wrote, "especially if he may be forced to pay a lawyer $100 an hour — or more — to keep himself out of jail for the crime of not having enough money in the first place."

Mr. Miller admitted feeling shamed by his situation. "I feel like a loser my children should not associate with," he wrote.

Not all readers were persuaded by Mr. Miller's argument, however. "The solution to Mr. Miller's financial problems is fundamental to our system of free-market economics," wrote one. "He can earn more or work more."

Another reader pointed to the problems single mothers face "trying to make ends meet financially while at the same time explaining to the children why their other parent has become invisible." Her advice: "See the pain of the children. It won't cost a dime."

Finally, on January 26, Mr. Miller's ex-wife, Nola N. Krosch, offered her own rebuttal. She said it was unfair to allow fathers to evade responsibility for their children.

"The bottom line is that Robin Miller, and the many other deadbeat dads, have had ample opportunity to comply with state and federal laws in the matter of child support," Ms. Krosch wrote. "Removing criminal penalties for nonpayment of child support, as Robin Miller advocates, would simply send the message that deadbeat dads can continue to victimize their children with impunity."

Maryland lawmakers contemplating a series of proposals designed to revamp the state's child-support statutes ought to find a lot to ponder here. Of the various initiatives being discussed in Annapolis this session, at least two would address directly the issues raised by Mr. Miller and Ms. Krosch.

One bill currently being drafted would require the Motor Vehicle Administration to restrict, suspend or even revoke the licenses of non-custodial parents who don't pay up on time. The restrictions would remain until the non-paying parent satisfied the obligation or demonstrated a good-faith effort by making regular payments for at least six months.

Advocates of the measure say it is needed to enforce support orders against parents who aren't subject to other enforcement mechanisms, such as wage withholding and tax interception. In particular, it would apply to parents who are self-employed or whose wages are irregular.

A related measure would allow the state to revoke the professional licenses of parents who don't keep up their payments. For example, a physician who fell six months behind would have his name reported to the state medical board, which could then suspend his license to practice.

Efforts to link drivers' licenses to child-support payments have failed in the past. Opponents argue that the two have nothing to do with one another and that there is no compelling reason to tie them together now.

But a new state report by the Child Support Enforcement Administration says current enforcement efforts are not working.

"The child support program in Maryland requires innovative changes in order to overcome inadequate funding and a burgeoning caseload," the report warns. It says delinquent parents owed more than half a billion dollars in back payments in 1993.

The Glendening administration, which sees child-support as vital to its welfare-reform package, plans to go after delinquent parents aggressively as a first step toward erasing the image of the "deadbeat dad." It wants to do so by emphasizing that parents should pay up not because the courts force them, but because it's the right thing to do.

That's something on which both Mr. Miller and Ms. Krosch could probably agree.

Glenn McNatt writes editorials for The Baltimore Sun.

February 13, 1995 The Nation.

CUTBACKS ON CAREGIVERS

Is There a Nurse In the House?

SUZANNE GORDON

Late last October, an advertisement appeared in several national and California newspapers. Alongside pictures of nurses standing at the bedside of acutely ill patients was the following statement: "Hospitals and HMOs are cutting care to make record profits. Patients are paying the price. Just ask any registered nurse who provides direct care."

The ad launched a California Nurses Association (C.N.A.) campaign called "Patient Watch." It is an attempt to reach out to patients and families and elicit Congressional action to address what nurses—and increasingly many physicians—feel is a trend that is literally endangering the lives of thousands of patients: Responding to market pressures, hospitals are "restructuring" or downsizing. By pitting hospitals against one another in the bidding for managed-care contracts, the new lords of the health care market—insurers and H.M.O.s—are winning drastic discounts, often below the hospitals' actual costs. To make up their losses, hospitals are cutting their nursing staffs, which represent about 28 percent of hospital labor costs.

Competition, says John O'Brien, C.E.O. of the Cambridge Hospital and chairman-elect of the Massachusetts Hospital Association, is forcing hospitals to "squeeze down on our costs at every possible level." O'Brien is a longtime supporter of single-payer health care and a vocal critic of competition. "Nursing has been hard hit. Nursing is the backbone of the hospital. But the pressures we're putting on our nurses are inordinate. I'm doing it, like everyone else is. It certainly can't continue."

According to a 1994 study done in conjunction with the American Hospital Association's *Hospitals and Health Networks* magazine, nearly three-fourths of American hospitals of every kind—private nonprofits, for-profit hospital chains, public hospitals, small community and large teaching hospitals—are engaged in or developing plans for "restructuring." In 1994 the American Nurses Association conducted a survey of nursing layoffs. Preliminary findings of the yet-unpublished study report on data provided by 1,835 nurses from all fifty states. Seventy percent of the respondents said their employers were cutting back on staffing by leaving vacated positions unfilled, 66 percent said hospitals had laid off nurses or were planning to do so, and 45 percent said that the use of unlicensed assistive personnel (U.A.P.s) was increasing. Three-quarters of the nurses in hospitals with reduced nursing staff said patient care had eroded and more than two-thirds said patient safety was compromised.

These nurses are being replaced with lower-wage and less-skilled employees, like nursing assistants and technicians who may have no health care background and yet are asked to make complex nursing decisions. Aides are not required to meet any educational or licensing requirements. Nurses who remain at the bedside must now care for more patients and supervise these techs as well. Moreover, they are legally responsible for any mistakes the U.A.P.s make.

In Massachusetts and California, which have the highest penetration of managed care in the country, this trend is increasingly common. In 1993, Boston's prestigious nonprofit Brigham and Women's Hospital laid off more than forty registered nurses. The hospital wiped out its entire continuing care department, laying off seven clinical nurse specialists, one nurse practitioner and one staff educator. They were replaced by less expensive social workers who had no formal medical education. Brigham and Women's nurses are now required to work mandatory overtime and have had to give up the kinds of flexible scheduling arrangements that had been marked improvements in their working conditions and job satisfaction.

Patients will receive assembly-line care and have less and less contact with skilled nurses.

When Brigham and Women's announced its historic merger with Massachusetts General Hospital in December 1993, the heads of those two institutions—each of whom earned close to a million dollars that year—announced even further staff cuts. They trumpeted that they were going to cut 20 percent of their budgets, which could entail the loss of at least 4,000 hospital jobs. At Massachusetts General, nurses' anecdotal reports suggest that vacated positions aren't being filled and that many units are understaffed. Massachusetts General and Brigham and Women's are hardly struggling hospitals. These nonprofit hospitals have constructed palatial new facilities, added redundant and unnecessary services, hired outside consultants, and spent enormous sums buying up primary physician practices, as well as on advertising and marketing.

In California, R.N.-to-patient ratios have declined precipitately. Even in critical-care units—developed specifically to provide intensive nursing care—staffing has suffered, nurses say, as hospitals try to game the system to slash costs. Some hospitals, nurses report, have renamed units to disguise the intensity of patient needs. In others, patients may be transferred out of critical-care units prematurely just to reduce the number of R.N.s employed in those units.

Deborah Bayer, a staff nurse in the critical-care unit at Children's Hospital in Oakland, said that in 1993 the hospital replaced 20 percent of its medical surgical R.N.s with aides on a one-to-one ratio. (The hospital recorded a $6.2 million profit and has finished construction of a large ambulatory care center.) These aides were given eleven days of training before replacing R.N.s with years of schooling and bedside experience. On medical surgical floors, says Bayer, administrators insist

Suzanne Gordon is a freelance journalist who writes about health care.

that because nurses now have "helpers," they can carry a caseload of five or six patients, sometimes even six or seven patients, rather than three or four.

Even the nonprofit H.M.O. Kaiser Permanente is now developing a radical redesign of its health care delivery system, referred to as the Gateways Operational Planning Project. Literature on the project presents a design that faithfully mirrors industrial mass-production techniques. The process of patient care is broken down into its constituent parts. Each moment of the patient's day is plotted in advance and each fragment of care is assigned to a different assembly-line worker. Nurses are replaced by "multi-skilled caregivers," most of whom will be lower-paid aides. Streamlined to move along a well-oiled factory conveyor belt, patients will have less and less contact with skilled nurses. Those nurses who remain in the hospital will function not as repositories of intimate knowledge about and connection with the patient but as detached managers who supervise less educated and less experienced members of the "care team."

Periodic attempts to de-skill nurses have long concerned members of that profession. But today, this trend is particularly dangerous. Patricia Benner, professor of physiological nursing at the University of California at San Francisco School of Nursing, says "there is no one in a hospital today who is not in that hospital because they are very sick. We rarely put patients in hospitals just for observation. We rarely admit them prior to surgery and we discharge them faster after their surgeries. This means that the acuity level of patients is far higher than it used to be and that most of these patients have conditions where there is very little room for error. They need instantaneous interventions and great skill."

Administrators claim that their new policies are intended to help patients by liberating nurses from unnecessary tasks so they can spend more time doing "real nursing"—redefined as managing the patient from afar. Less costly aides, not expensive nurses, should be the ones taking temperatures, giving bedpans and feeding patients, insist administrators and insurers. Again, most nurses argue vehemently against this corporate redefinition of their profession. "Administrators tell us that you don't really need nurses to change a baby's diaper or feed a baby. Aides can do that, and we can stand back and assess the patient, devise a plan of care and supervise the aide who carries it out," says Bayer. But how, she asks, can you evaluate patients if you no longer have the relationship with them over time that is the hallmark of nursing?

When she's feeding a baby, Bayer explains, she's engaged in a whole series of complex cognitive activities. "I'm learning if the baby has energy to suck. I'm determining what her color is while she's sucking. When I'm changing a baby I'm diagnosing that baby's condition. Does he cry out in pain when I touch him? What does his skin look like? Babies can't verbally tell you how they feel. How you learn is through interactions around their bodily care."

In the Orwellian doublespeak of corporate-driven health care reform this denial of critical care is recast as "patient-driven" or "patient-centered care." The results, however, are often far from "patient-centered." According to the C.N.A., a labor and delivery nurse at a Berkeley hospital related the following incident: "On a very busy night when we were already understaffed, a patient whom we didn't know showed up and said she was in labor. The ward clerk directed her to a room and notified the charge nurse of her arrival. The patient used the bell twice to complain that she was in pain and needed a nurse, but the ward clerk could not find anyone free who could see her. When the patient had been there about twenty to thirty minutes, her husband came out to say that she had to push. Our ward clerk called two of us and said it was an emergency, so we left our patients and ran to the new patient's room. When we arrived, she had delivered a very small baby into the toilet, head first. The baby was too small to survive and died of prematurity."

Similar stories are now surfacing in hospitals, and are reminiscent of the horrors of the nursing crisis of the mid-1980s, when a critical shortage of nurses resulted in significant problems with patient care. Take the case of a 72-year-old man who was diagnosed with lung cancer. The man was well-insured, and his family included several health care professionals who should have been able to get him the very best treatment. He was admitted to a large teaching hospital to have a lung removed. The operation went extremely well, and the surgeons announced that he was making a remarkable recovery. When he left the recovery unit for a general medical surgical floor, his physicians believed he could be discharged a day early. Unfortunately, the hospital had targeted the medical surgical floor for drastic cuts in its nursing staff. The patient developed pneumonia, which went undetected and untreated until it was too late. He died three days later.

Stunned at the outcome, one of his family members, who is a nurse, said, "At the end, he was surrounded by all this incredible high-tech medical equipment. But the tragic thing was that all he needed was the most rudimentary piece of medical equipment—a stethoscope—and a nurse who had the time and experience to check on him, listen to his chest and hear the unmistakable wheezing of pneumonia. If he had gotten that kind of routine attention, he would probably be alive today."

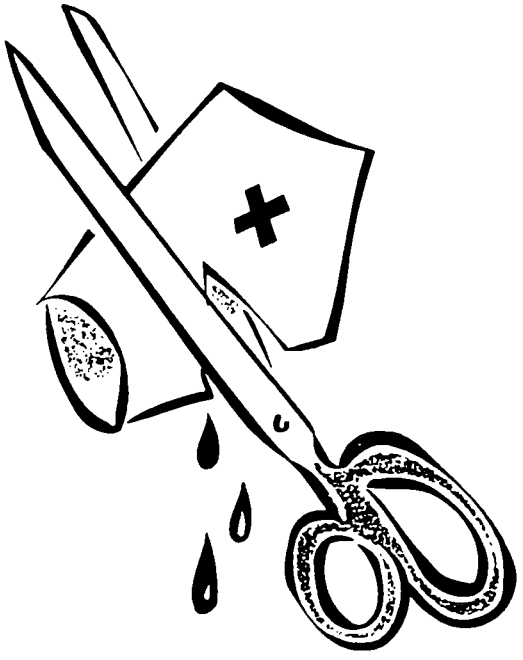
Research studies documenting what happens when nursing care is eliminated are beginning to appear. Boston College nursing professor Judith Shindul-Rothschild studied nurses' working conditions and patient care in a geographical cross section of Massachusetts hospitals in 1989 and 1994. The 1994 study reported that the numbers of R.N.s decreased and unlicensed personnel increased. In the same study, 43 percent of nurses polled reported recent increases in unsafe staffing levels, and nurses reported fifteen patient deaths because of inadequate staffing. One of these occurred in a sub-acute unit; because of understaffing, no one responded when an alarm light sounded on a patient's respirator, signaling that the patient was going into respiratory arrest. The patient died. In another incident, a patient who had been disconnected from a respirator died because not enough nurses were on duty. Six patients committed suicide while unattended.

A clear sign of the seriousness of the problems in hospitals is that a number of physicians are speaking out to defend nursing. Traditionally, physicians have downplayed nurses' importance. But Dr. John Merritt O'Donnell, chairman of the Department of Surgical Intensive Care at The Lahey Clinic

outside Boston, points out that in medical and surgical intensive-care units, nurses constantly re-evaluate patients and "recognize the most subtle changes in vital signs, mental status and sophisticated monitors that may herald a catastrophic event. Their role has become even more crucial recently because the dramatic reduction in residency training programs has depleted the number of interns and residents previously providing twenty-four-hour-a-day in-hospital coverage. Physicians now, more than ever, rely on nursing assessments and recommendations when making diagnostic and therapeutic decisions. There are certainly deserving targets for cuts—physician spending, pharmaceuticals, hospital middle management and insurance. But don't cut nursing care."

Not only does competition eliminate expert nurses at the bedside, it also deprives patients of nursing care through the dramatic acceleration of the trend toward early hospital discharge that began with the introduction of controls on Medicare payments in the mid-1980s. The United States now has the shortest length of hospital stay of any industrialized country—a development that has done nothing to curtail soaring health care costs. Patients in this country stay in hospitals 20 to 40 percent fewer days than in countries with single-payer systems. Managed care groups have embraced early discharge with religious fervor: They discharge patients from the hospital much more quickly than traditional fee-for-service plans.

"You would not believe what people are going home with today," Dr. Ruth McCorkle, American Cancer Society Professor of Nursing at the University of Pennsylvania School of Nursing and a researcher on the home care needs of cancer patients, exclaims with undisguised outrage. "We're doing mastectomies on an outpatient basis. Mastectomies!" She pauses, almost with disbelief. "Women are going home with complex dressing changes, with drains from their wounds, with injections they have to give themselves. Men are going home after prostate surgery with inadequate education about the consequences of their surgery. And I haven't even gotten to the emotional needs of these patients, who are faced with life-threatening illnesses and whose bodies may have been dramatically altered.



"In our ongoing study of testing nursing interventions in elderly postsurgical cancer patients, a fifth of our sample has deep-vein thrombosis [blood clots in the leg]. Out of that group, four have been re-admitted with pulmonary emboli [clots that travel from the leg to the pulmonary arteries, where they can cause instant death]. This means we're getting them out of the hospital so fast that we're forgetting the fundamentals about the dangers of blood clots after surgery and the need for nurses to initiate walking with supervision after surgery."

"Taking care of patients today is an exercise in frustration," says Martha Griffin, almost in despair. A nurse for twenty-four years who works as a cardiac thoracic critical-care nurse at Brigham and Women's Hospital, Griffin reports that over the past year and a half, some patients having open-heart surgery are now being discharged after four to five days, rather than six to ten. "Patients used to leave the hospital because they were ready to leave. Now the goal is to get them out, to move patients along the continuum, whether they are ready to go or not. We used to send people home with things that a patient or family member could take care of. Today we're sending people home who need complicated wound care. They have stitches in their chest and leg where they were cut open or drains were put in. They have staples in their chest. They have wounds with a high risk for infection. They go home with physical therapy referrals because they can't get out of bed alone. They have complicated drug regimens. What we are doing is turning the home into a hospital."

Hospital administrators and insurance executives rationalize away their responsibilities to patients and families. After a *Boston Globe* editorial criticized Harvard Community Health Plan's newly mandated labor and delivery policy—which forces women to leave the hospital twenty-four hours after a normal vaginal delivery—several of its medical directors responded in a letter to the editor: "The *Globe* may believe there is no substitute for an extra day free of worries about preparing meals, housekeeping or child care, but that is not what medical coverage is supposed to provide, especially in this era of grave concern about the rising costs of health care."

The directors of one of the most prominent H.M.O.s in the nation are explicitly segregating treatment from the process of recovery and coping. "It is as though they are saying that their only job is to extract the baby from the womb, and then their responsibility to the patient is over," commented Joan Lynaugh, associate dean and director of graduate studies at the University of Pennsylvania School of Nursing. "Our health care system has never done very well with the concept of convalescence," Lynaugh continued, "but when people who run a community health care plan explicitly argue that we shouldn't plan for the fact that people who are ill are tired and weak and can't get out of bed and need help with activities of daily living—when they say that it is not our job to care



BY MARILYN MOON

Wash. Post; 1-31-95

Your Health Coverage

Q. *I'd like to know the difference between Medicare and Medicaid.*

A. Many people confuse these programs, which were both enacted in 1965 as amendments to the Social Security Act. Medicare is a federal program that provides public insurance coverage of hospital, physician and other acute care services for qualifying disabled and elderly persons. Medicare eligibility is linked to eligibility for Social Security benefits (with a waiting period for disabled persons). The program is funded by payroll taxes, general federal revenue and premium contributions from enrollees.

The Medicaid program is aimed at low-income people and families, but it is more complicated because it is a program set up jointly between the federal and state governments. It allows some state flexibility in terms of who is covered and what services are offered. Those always covered by Medicaid are recipients of Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI), a program for low-income aged and disabled persons, and some additional low-income mothers and children. States also have the option of serving the "medically needy," defined as families with children or disabled or elderly people whose medical expenses consume a large portion of their total income. This part of the program mainly serves elderly and disabled people in nursing homes. In recent years, coverage also has been expanded under Medicaid to include some pregnant women and children with incomes above the level that would qualify them for AFDC.

Medicaid covers a wide variety of both acute and long-term care services, but there is considerable variation across states in terms of what optional benefits are covered. For example, some states, such as Oregon, have extensive programs that provide care at home for disabled persons, while others cover very few such services. The program is funded from federal, state and sometimes local general revenue.

Q. *I would like to get information about the income trust plan for Medicaid people. Can you explain this program to me?*

A. You are asking about a complicated issue related to how people become eligible for benefits under Medicaid. As described above, most states now include benefits for the "medically needy" in their Medicaid programs. This means that families with very large medical bills can qualify for help provided they are left with a very low net income when they subtract their medical expenses from their regular income. One of the most common ways that people qualify as medically needy is when they enter nursing homes, where the costs are higher than the incomes of many elderly and disabled persons. After contributing what they can, these people then become eligible for Medicaid support. But some states do not have programs for the medically needy, and thus people whose income is above a federally set income eligibility level (about $16,500 for a single person in 1995) but too low to enable them to pay their nursing home bills, are put at a severe disadvantage.

Federal legislation passed in 1993 requires states without programs for the medically needy to allow income trusts to deal with this gap in eligibility. People who cannot afford nursing homes but who are above the state's eligibility limit now can put their incomes in trusts that pay them just enough to qualify for Medicaid. Once they qualify, money is taken out of the trust and paid to nursing homes for care in much the same fashion as if there were a program for the medically needy in that state. To participate in this way, individuals have to hire an attorney and meet legal qualifications.

Q. *I've heard that some states provide Medicare patients with supplemental insurance to help keep the elderly's medical costs down. Do any states in this region or the District do that?*

A. I believe you are referring to the Qualified Medicare Beneficiary program that pays for Medicare's deductibles, coinsurance and premiums for persons whose incomes are below 100 percent of the poverty level ($7,368 in 1994 for a single person, for example). This program is run through state Medicaid programs, and all states are required to participate. Medicare beneficiaries with higher incomes (between 100 and 120 percent of the poverty level) are eligible to have Medicaid pay their Part B premiums. Participation remains low, however, suggesting that many people are unaware of these benefits. ■

Do you have questions about health care coverage? Congress may consider modest reforms in the current session. Meanwhile, changes are occurring in the medical marketplace. The debate over costs, quality and access to care continues, and many questions remain. The Washington Post free telephone information service can take your questions. Call POSTHASTE at 202-334-9000 on a touch-tone phone and enter category code 8500 (in Prince William County, 703-690-4110). Economist Marilyn Moon of the Urban Institute provides answers in a periodic column.



Marvin Kozlowski

N.Y. Times; 2-1-95

Everybody's Nest Egg

By James Gollin

POUND RIDGE, N.Y.

To its supporters, Social Security is a sacred cow. To its critics, it's designed to mulct the young for the benefit of the old. The debate has been less than illuminating.

Proponents of the present system — and that includes pretty much everyone in Congress and the Administration — argue feverishly that tampering with Social Security benefits would be a gross injustice to the elderly.

The system has no overt opponents. Even Newt Gingrich has repeatedly declared Social Security off limits, on the sensible ground that

SOCIAL SECURITY'S FUTURE

Second of two articles.

Americans don't trust any politician enough — yet — even to listen to any proposal to tinker with it. The operative word, of course, is "yet."

Mr. Gingrich & Company evidently believe that if they are still in power in six years, they will have have won the electorate's confidence so entirely that they can privatize Social Security, devolve it to the states or otherwise "strengthen" it.

Never mind the cries of the one in five Americans now drawing benefits. The ecstatic applause of millions of baby boomers and their successor generations will be far louder. They loathe Social Security taxes. They ask: Why should we pay? We'll never see a dime's worth of benefits.

Besides, every American knows or should know that "privatize," "devolve" and "strengthen" are transparent euphemisms for "dump."

Serious debate should start with the reality that Social Security provides advantages to both young and old. First, it is a bloodless way to help ease older people out of the work force and make room for younger workers. With the good-paying jobs that politicians prattle about in short supply and likely to continue to be so, this is no small virtue.

James Gollin has written about Social Security for 15 years.

> The retirement system will last — may even prosper.

Nor does one have to be a master of multiplier economics to recognize that $292 billion a year in Social Security benefits generates a huge amount of economic activity, to the gain of Americans of all ages. Or to understand that it's less of a drag on one's household economy, and psyche, to pay taxes over many years for the support of old people — read "mom and dad" — than to have to start doing it out of pocket when mom and dad are old.

Serious debate should continue with the awareness that today's retirement program cannot and must not be immunized against change. In 1937, when Social Security was introduced, only workers in industry and commerce were covered; today, virtually everybody is. It has a history of change, marked by aggressive expansion of coverage in the 1950's, 60's and early 70's.

Both political parties have long enthusiastically supported the growth of Social Security. After Barry Goldwater's disastrous "make it voluntary" remark blighted his candidacy in 1964, Republicans outdid Democrats in the expansion race.

By 1980, the glory days were over. How to pay for it all was beginning to worry even devotees. That year, President Jimmy Carter's advisory commission on pension policy delicately suggested that the Government raise the normal retirement age to 70 from 65, sharply cut the income benefit for early retirement and try to think of ways to create or keep jobs for people in their 60's despite a growing tendency to push them out of the work force.

Nobody advocated privatization or devolution. The Goldwater debacle taught conservatives their lesson: throughout the 80's, the Reaganites left Social Security alone.

The Gingrich crowd will not follow suit. They will base their argument for getting Social Security off the backs of the people on the conjecture that the "dependency ratio" — the proportion of active to retired workers — will go from about 3 to 1 now to 2 to 1 by the year 2030. They argue that because Social Security is a pay-as-you-go program, either this will impose a monstrous tax burden on the young (which they will vote not to pay) or the system will run out of money.

But is this shift in ratio — assuming it happens — really so significant? Productivity matters more: the total income that workers generate in relation to the costs of the benefits is more important than the mere number of workers in relation to the number of retirees. If people produce more and earn more, as seems likely — and the politicians don't bid up the benefits — maybe the cost burden won't be intolerable after all. May we won't have to privatize support of the elderly, even if that makes life insurance companies unhappy. □

BALTIMORE SUN - JANUARY 31, 1995

If Something Cannot Go On Forever, It Must Stop

By CAROL COX WAIT
and SUSAN TANAKA

Washington.

Balance the budget. Increase defense spending. Take Social Security, Medicare, veteran's benefits and who knows what else off the table. This is virtual reality. Sooner or later our public officials will walk through the hologram and into a brick wall of real reality.

It is analytically possible to balance the budget and cut taxes. Perhaps American voters are so tax-averse that they will support very deep cuts in benefits and services to achieve that nirvana.

Common wisdom and more than a decade of results from our Exercise in Hard Choices suggest that balancing the budget will require a combination of spending cuts and tax increases. But not necessarily. How can anyone know what the public will support until the president and Congress describe candidly what the real hard choices mean to real people? It is possible to increase spending in nominal dollars and balance the budget without raising revenues. But doing so will require real reductions in federal benefits and services.

On the other hand, opponents of balanced-budget constitutional amendments have been crying wolf. They rant and rave about deep cuts in popular programs. Social Security, Medicare and Medicaid, Head Start and other education programs, veteran's benefits and services, food stamps, welfare — the list goes on and on. Likely budget cuts are not an argument against the amendment. These folks are arguing against balancing the budget. Or, they are making the case for a whopping big tax increase to balance the budget and avoid cutting programs.

Congress and the president can balance the budget and cut taxes. They can balance the budget, cut taxes, increase defense and take Social Security off the table. But they cannot do them all and avoid benefit reductions in Medicare, Medicaid, farm price supports, federal retirement and veteran's benefits and other big entitlement programs.

How about a constitutional amendment mandating that all school children pray for a balanced budget?

Almost every budget and economic expert warns that federal spending and the national debt cannot continue indefinitely to grow faster than the economy. Herb Stein's first law of economic theory tells us, "If something cannot go on forever, obviously it must stop." The only question are: When will we stem this tide of red ink and how will we do the deed?

Dr. Stein offered another piece of sage advice. What America really needs, he said at a Senate Committee hearing on the balanced-budget amendment, is a constitutional amendment mandating that all school children pray for a balanced budget. Continuous deficits and exploding national debt are the fiscal equivalent of child abuse. We force our children and grandchildren to help pay for government benefits and services we consume. How will future generations react when they face huge tax burdens resulting from our inability to control the growth in government spending and pay for the government we want today?

Balancing the budget is a matter of setting priorities. It has been years since Washington really had to set priorities. When our political leaders run out of money, government simply borrows more. When entitlements grow out of control, politicians explain with a straight face the entitlement spending is uncontrollable.

Last week the House passed the balanced-budget amendment, and the Senate seems likely to follow suit. Its ratification by the states then would put the budget on a glide path toward balance by 2002, the deadline cited by the amendment.

Surely, Congress and the president would not trivialize the Constitution by playing games and employing budget gimmicks to avoid the discipline they have voted to write into it. The country has a right to expect them to match outcomes to oratory. Cut spending, cut taxes and balance the budget if they can. If not, they may have to consider modest revenue increases. And they must pass new budget rules that will hold themselves accountable. The country needs action now.

Carol Cox Wait is president and Susan Tanaka vice president of the Committee for a Responsible Federal Budget.

Chgo. Trib.; 1-28-95

Savoring an unexpected gesture

By H.B. Johnson

A person with AIDS is assured of two things: suffering and a sooner than expected death. But there is a third tragedy that I've learned about: isolation. Without the caring and love that I get from my family and friends, I would be much worse off psychologically.

The isolation caused by AIDS is extremely painful. This is an illness that stigmatizes its victims to an extent that few without the disease can understand. It's hard to go through life thinking that you won't make new friends.

A recent experience underscored this feeling. A few weeks ago, I met a young woman at a bus stop. She had the most engaging eyes I had ever seen and I told her so. While waiting for the bus, we struck up a conversation that touched on politics, education, racism and raising children. The bus came and we boarded together and continued our conversation.

It turned out we were getting off at the same stop. We disembarked, smiling at our good fortune; it was clear that our conversation was mutually enjoyable. Since we had missed the bus we wanted to transfer to—it was pulling away as we arrived—we stopped for hot tea at a restaurant. We sat by the window, watching for our bus and chatting.

I pondered whether to bring up AIDS as a topic. We had shared personal matters, why not my disease? I decided to bring it up.

How disappointed the results of that decision made me feel—initially. My traveling companion thought, for example, that AIDS could be spread by casual contact. That's why she never carries her child with her on the bus. Further, she said AIDS is a curse from God, sent to punish mankind for its wicked and sinful ways.

I asked her what would she do if she were at a friendly gathering (such as the close of a church service) and five people came up and kissed her on the cheek. Would she be able to tell if any of those people had AIDS? What if she later discovered that each has the AIDS virus, what would she do?

Her answer was simple ... said in an attempt at a jest I suppose, but with a serious undercurrent: "I'd kill myself. Well, maybe I wouldn't go back to that church no more. And Lord knows I would do a lot of praying and scrub my jaw with disinfectant!"

I looked at her in silence for several minutes, called her name quietly, and said: 'I have AIDS.'

"You wouldn't go to a doctor and be tested?" I asked.

"For what?" she replied. "What good is a doctor if all he can do is tell you you've got the disease? That's all they seem to be doing with the disease these days. If I got it, I wouldn't want to know anything about it!"

I considered commenting on her views about AIDS and how it's communicated, but thought better of it. Instead, I looked at her in silence for several minutes, called her name quietly, and said: "I have AIDS."

She laughed and told me to stop joking. Another look into my eyes told her that I was serious.

To my amazement, she was suddenly very apologetic. She repeatedly said "I'm sorry."

We sat in that restaurant for a long time after that. We missed two buses because we were talking about AIDS. When we left that restaurant, we walked down the street, holding hands. And when she rose to get off of our cross-town bus, my new friend kissed me on the cheek and said "Take care." Already, she had taken a giant step into the first reality of illness. Illness is not a crime, not even a sin of the sick.

Each evening now, around 6, my telephone rings and I know who it is. How fortunate and much more alive I sometimes feel now, thanks to this deeply religious young woman who had been so misinformed and confused. But unlike some people, she was willing to listen and learn. Her genuine concern about my welfare is a great help to me in my fight against isolation. She, her husband and her baby, have been invited to my house for dinner, and they have accepted.

H.B. Johnson, a Baltimore playwright and poet, is a writer in residence at Loyola College.

NEW YORK NEWSDAY, THURSDAY, JANUARY 26, 1995

CITYSCAPE / GABRIEL ROTELLO



For Sale: State-of-the-Art Unsafe Sex

WITH LITTLE CONTROVERSY, and under the very nose of the AIDS establishment, a huge new bathhouse opened in Chelsea this week. A bathhouse like the legendary bathhouses of old, those bustling hives of contagion that helped spread death throughout the gay male world. A bathhouse with 80 private bedrooms that can be locked from the inside, so that the occupants can have sex free from the prying eyes of safer-sex monitors.

A lot of people, gay and straight, are shocked when they hear that the baths are back. But they shouldn't be. The opening of the West Side Club is a natural development in the context of gay New York's response to the HIV epidemic. We have evolved from almost complete intolerance of commercial multipartner sex (1986), to muted tolerance as long as it was scrupulously safe (1987-1988), to denial and confusion when it entered the gray zone of possibly unsafe (1989), to indifference when it became blatantly unsafe (1990-today). The only surprise about the return of the baths is that it took them so long.

The owners of this new bathhouse, Next Magazine publisher David Moyal and Townhouse bar owner Paul Galluccio, have little to fear from the city's tepid AIDS establishment. A spokesman for Health Commissioner Margaret Hamburg says the commissioner's hands are tied unless the bathhouse seeks a permit for its sauna, which it has not yet done. The City Planning Commission, which enforces the moratorium on new sex-related businesses, says bathhouses aren't covered under the moratorium. And Gay Men's Health Crisis director Jeff Richardson says that, although he is certainly "not celebrating" the return of the baths, GMHC's policy is to work with such places, not to work to close them down.

That approach may seem pragmatic, but it certainly sends a powerful signal that gay and AIDS groups sanction the return of the baths. That attitude inevitably erodes the sense of urgency in the gay world about safety, and undermines the moral authority of groups such as GMHC when they argue to society at large that AIDS is an emergency that deserves an emergency response. GMHC's cooperative approach even provides cover for the operators of this inherently unsafe establishment.

And make no mistake. The presence of locked cubicles in sex clubs is inherently unsafe, which is why such cubicles are banned even in relatively tolerant places such as San Francisco. When I asked Galluccio how he could justify them in the middle of an epidemic, he pointed to GMHC. "We're going to have GMHC in here twice a week lecturing on safe sex," he told me. "GMHC is working with us." The implication: If GMHC is cooperating, who could object?

Who indeed? The fact is that plenty of AIDS workers and prevention bureaucrats actually defend the new enterprise. They argue that bathhouses don't create a demand for multipartner sex, they simply channel that demand into an environment where people can obtain safer-sex education — which these bureaucrats then provide, thereby earning their livings.

Many behavioral experts scoff at this rationale, however, citing the fact that when the "costs" of doing something go down, the number of participants invariably goes up. Multipartner sex in the alleys and parks of New York carries significant costs: danger, discomfort, risk of arrest, mugging, bashing, you name it. But put that activity in a clean, even luxurious, space and the costs go way down. According to classic economic theory, the demand will go way up, and so will the behavior (and, invariably, infection). It works for fast food. It works for fast sex as well.

Surely Paul Galluccio and David Moyal know this. Their place is state-of-the-art. They surely also know how safe they are from New York's AIDS establishment. After all, they opened their new bathhouse just a few doors down from the Gay Men's Health Crisis headquarters.

Wash. Post; 1-29-95

Wanted: A Childproof Handgun

If Cigarette Lighters and Medicine Bottles Do It, Why Not Weapons?

By Monique El-Faizy



TRY LIGHTING a cigarette. It's tricky business these days. As is opening a bottle of aspirin or trying to maneuver any of the other gadgets that have been made childproof.

Take the lighters. Childproof is an understatement—adultproof is more like it. Gone are the days when the mere push of a button or spin of a wheel would bring on instant flame. Increasingly, old-model lighters are being displaced by safety lighters that come with directions and diagrams and demand endless fussing and fumbling before they bestow their gift. They make programming a VCR look like child's play.

Yet just blocks away from the bar in which I sit struggling to get my daily dose of nicotine, children roam the streets carrying weapons with which they could extinguish a life in half the time it takes me to light a cigarette. While some pistols were once manufactured with a safety devise that made them more difficult for children to use, kids these days can fire a gun as easily as they can a slingshot.

Watching television has convinced me that it is easier to fire a handgun than to operate this confounded lighter that stands between me and my habit. Many prime-time shows serve as operating manuals for guns. Television teaches me, and millions of kids, what a gun grip is, how to slip a clip filled with bullets into that grip, and how to shoot.

And while guns are far more deadly than cigarette lighters, it is the lighters that the American people and their government saw fit to regulate.

That's not to say that lighters pose no danger. Between 1988 and 1992, an annual average of 436 people, excluding firefighters, died in blazes started by children, according to Sharon Gamache, executive director of the Learn Not to Burn Foundation. Of those killed, 241 were children under five years of age.

So the government took action. The U.S. Consumer Product Safety Commission passed a regulation requiring that all disposable and inexpensive refillable lighters manufactured in, or imported into, the United States after July 12, 1994, be made child resistant.

Monique El-Faizy is a free-lance writer in Washington.

No reliable numbers exist as to how many people are killed each year by children who get their hands on a gun, but in 1993, 210 children under 14 years of age committed suicide using handguns. Even conservative estimates of accidental deaths and homicides caused by a child with a gun would show that guns are at least as dangerous in small hands as lighters.

To be sure, consumers have demanded unworkable lighters and unopenable bottles to keep their children out of harm's way. They have insisted that the government join in the effort to protect their young. Up to a point.

The fact is, it should be possible to childproof a firearm. In fact, Smith & Wesson manufactured such a gun in the first half of this century. The pistol was referred to as the "lemon squeezer" and had a safety mechanism on the back of the grip or gun handle. The grip safety had to be depressed while the trigger was pulled, or the gun would not fire. A child's hand was often too small, or too weak, to do so. Unfortunately, the gun didn't prove popular and Smith & Wesson stopped manufacturing it in the early 1970s.

Parents will go to extraordinary lengths to reassure themselves that their children are out of danger. Safety latches on cabinets and drawers, baby gates and bottles and glasses placed high out of reach all make home a safer place for baby. And a more difficult place for every one else. That's a burden most parents are willing to bear.

Yet according to a 1990 report in the Journal of the American Medical Association, an estimated 1.2 million elementary school-aged latch-key children return each day to homes with guns in them. Steven Teret, director of the Johns Hopkins Center for Gun Policy and Research, points out that many firearm manufacturers are marketing guns specifically for women, and if these guns are around women they, more than likely, are around children as well. Yet American parents still do not see fit to demand that their guns be made child resistant.

Yes, keeping kids away from lighters and medicine and guns is a parent's responsibility. But children are resourceful and parents fallible, and inevitably there will be those kids who manage to get their hands on things they shouldn't. And all the education in the world isn't going to quash a child's natural curiosity.

Americans have loudly demanded that consumer goods be strictly regulated, and rightly so. Ironic then, that when it comes to a product designed to kill, the public is silent.

Chgo. Trib.; 1-30-95

Veterans earned good medical care

INDIANAPOLIS—Money spent on America's veterans is "the most wasteful special-interest spending in Washington," according to syndicated columnist William Safire (Op-Ed, Jan. 12).

Mr. Safire may begrudge money spent on the men and women whose health was impaired by their service in the military. But, thankfully, neither the taxpayers nor their elected representatives share his miserly attitude.

The nation's responsibility to its veterans hasn't—and shouldn't—lead to unchecked governmental spending. Congress, the Department of Veterans Affairs, the White House and the nation's veterans demand tough-minded controls over veterans programs, for every dollar wasted is one unavailable to help a deserving former service member.

Despite an ever-increasing number of veterans and skyrocketing medical expenses in the private sector, increases in the VA's medical budget continue to lag far behind the rate of medical inflation. Access to veterans' benefits is limited by federal law and VA regulations.

Only veterans with medical problems directly linked to their military service—or elderly, sick, low-income, war-time vets—are guaranteed treatment in a VA medical facility. Many other deserving veterans are still fighting for a high-priority for access, including those injured by exposure to Agent Orange, atomic testing, asbestos and Persian Gulf Syndrome. The majority of America's veterans find themselves ineligible for access to a VA hospital because they are subject to means testing.

The VA may, in fact, be overly controlled. Its medical centers aren't always located in the communities with the greatest need, a fact attributable to past congressional action in many cases. Some veterans are denied benefits through overly complex interpretations of federal law, as the Supreme Court agreed in its Dec. 12 ruling that since 1924 the government has failed to follow the simple-English interpretation of federal law when it comes to injuries caused by treatment in VA medical centers.

The issue deserving attention is the fact that veterans honorably served their country during times of war, that many were injured and that a significant number of those who served are elderly, sick or poor. They are deserving of quality medical care and appropriate benefits.

In 1991, The American Legion proposed a plan to improve veterans' health care. We know that the system has room for improvement. We would agree that there are alternatives to institutionalized long-term care that can be less expensive and more appropriate for patients.

Some final points regarding Mr. Safire's dusty anecdotes involving former VA Secretary Edward Derwinski. Mr. Derwinski adopted his plan to revamp VA admission policies for some rural hospitals without consultation with the nation's veterans' groups. The American Legion's alleged support of the Bush administration never entered into that debate because, as most political activists understand, we don't endorse candidates for public office. And the multimillion-dollar renovation of VA headquarters that Mr. Safire criticized was a Derwinski legacy.

William M. Detweiler
NATIONAL COMMANDER, THE AMERICAN LEGION

Wash. Post; 1-31-95

A Middle Class Revival

Charles Krauthammer, in his op-ed column of Jan. 13 ["The Stagnant Wages Theory: Don't Bet the Farm on It"], observes, correctly, that one big reason median household income has stagnated for 20 years is that households have gotten smaller (because of later marriage, divorce and single parenthood and an increase in the number of elderly people living alone). But another major trend cuts in the opposite direction, and should have boosted family income: More wives are working. Twenty years ago, four out of 10 married women worked for pay. Today, six out of 10 do. Yet this massive shift of women's labor out of the home has still not increased median household incomes.

Moreover, the average income figures that Mr. Krauthammer cites conceal the most dramatic trend—the shocking divergence between winning and losing families in the new economy. This represents a radical departure from the decades after World War II, when America's middle class expanded. Between 1950 and 1978, each category of families—from the top one-fifth to the bottom one-fifth—basically doubled its income. But between 1979 and 1993, the incomes of the bottom one-fifth *fell* by 17 percent, the next one-fifth by 8 percent and the middle fifth by 3 percent. The next fifth up gained 5 percent, while the earnings of the top one-fifth rose 18 percent.

The workers who are winning are those with skills. The payoff to education has been rising—as has the penalty for dropping out of high school or passing up post-secondary education.

The administration's answer is to reverse the erosion of the middle class by building productive skills, so that working families can increase their earnings. Every year of education or training after high school boosts earning power by 6 to 12 percent, on average.

Mr. Krauthammer calls government a "clumsy instrument" for organizing education and training. True enough; that's why our strategy isn't based on programs but on putting purchasing power in people's hands. The centerpiece of the president's plan is making tuition tax-deductible—even for families that don't itemize—to encourage investments in skills. For laid-off and low-wage workers (who often can't benefit from deductibility) he proposes "skill grants," big enough to cover two years at a typical community college.

Mr. Krauthammer suggests that while better skills will eventually expand family budgets, the Republicans can offer a quicker fix: tax cuts. But in fact the typical family pays federal personal income taxes of about 9 percent, after deductions and adjustments. Meanwhile, the earning power of a husband and wife with high school educations, even if both of them work full-time, has fallen by 19 percent since 1973. Thus, you could wipe out their federal taxes, and that family would still be less than halfway out of the hole. The administration has its own tax-cut proposal, focused on working families and paid for with specific spending cuts, but tax cuts alone cannot restore the middle class.

Mr. Krauthammer warns that investing in skills won't let working families regain their lost ground overnight. But Americans may be getting tired of quick fixes and ready for real change. We propose to rebuild the middle class for the long term, through encouraging the skill investments that increase family earning power.

ROBERT REICH
Secretary, Department of Labor
Washington

Balt. Sun; 1-28-95

Social Security

The Marylanders who testified before Congress (*The Sun*, Jan. 10) do have a legitimate complaint with Social Security, but neither the Republicans' nor the Democrats' plans will provide a remedy.

Jean McCauley stated her earnings would reach the Social Security ceiling of $11,280 in June; at that point she will lose $1 in benefits for every $3 she earns above the limit.

While some may argue a 33 percent marginal tax rate is high, it is certainly worthwhile to continue working.

The reason Mrs. McCauley must debate whether to continue working or not is that Social Security will withhold her entire next quarter's worth of benefits as soon as she earns $1 over the ceiling.

Say Mrs. McCauley earns $2,000 a month working, and in addition she receives $1,000 a month from Social Security. By June she will have earned $12,000 for the year, thus crossing the $11,280 ceiling.

Some simple arithmetic tells us she has earned $720 over the limit, and her benefit should be reduced by one-third of this amount, or $240.

Common sense would dictate sending her a check for $1,000 minus $240, or $760 in July. Instead Social Security will send no check in July, no check in August and no check in September.

What if she gets sick and can't work, or she is laid off or simply decides to take September off? Social Security will reconcile her account at the end of the year, but how is she supposed to make ends meet until then?

Instead of needing a raise in the income ceiling, these seniors merely need a change in the Social Security Administration's accounting practices . . .

Allen Smith
Carney

Balt. Sun; 1-28-95

Gingrich Smoke

Newt Gingrich's and his press secretary Tony Blankley's latest slanderous statements are so far out-of-bounds that an apology is called for.

The same week that Mr. Blankley wrote a "sputtering" explanation of the firing of the House historian over the "Nazi" flap, he described pro-health tobacco control activities as "Nazi."

In a *New York Times* interview, Mr. Blankley said he was unconcerned that his smoking in House chambers might conflict with anti-smoking laws. "I can't imagine that the [anti-]smoking Nazis have any sovereignty here," he said.

Mr. Gingrich and his spokesman have managed to insult Jewish groups and public health interests.

Representatives of both groups have denounced the statement as despicable, although neither Mr. Blankley nor Mr. Gingrich have dissociated themselves from it.

Quite the opposite of Nazis, tobacco control activists are interested in saving lives. Tobacco is by far the number one preventable cause of death and disease in our society.

As a member of the state medical society, I call on Mr. Gingrich to distance himself from this reckless slander which suggests he is more beholden to the tobacco industry and special interests that finance his election campaigns than to the American people.

Joseph Adams, M.D.
Towson

The writer is secretary of Smoke Free Maryland.

Balt. Sun; 2-1-95

Abortion Numbers

Ellen Goodman's Jan. 20 column, "The Trap of Welfare Reform," was especially interesting because it presented abortion statistics as a percentage of pregnancies for teen-agers. Generally, they are not presented in such terms but rather as a total number per year, e.g. 1.5 million.

Clearly this is a large number, but as few of us are familiar with the number of pregnancies occurring in the country its impact is dulled.

The percentages of aborted pregnancies reported in her column among poor teen-agers (40 percent) vs. the number aborted among affluent teen-agers (70 percent) are consistent in magnitude with figures I saw several years ago for all pregnancies on a state basis.

They ranged from a high of 53 percent for Connecticut and Massachusetts to a low of 28 percent for Utah. Baltimore City and Baltimore County were both slightly less than 50 percent.

Clearly, although many people say they disapprove of abortion, as we all do, many women are practicing it to a remarkable degree.

The abortion rates in Scandinavian countries and in the Netherlands are one-fifth to one-tenth our levels.

I do not believe there is less sexual activity in these countries. Rather, their citizens have a greater sense of responsibility and education with regard to sex, and do not bring unwanted, unloved human beings into the world.

Yet these countries are not known for their religiosity. What can they be doing that we are not?

Perhaps, they realize that humans are sexual beings and the task of parents, the church, and society is to instill sexual responsibility, by example, to their children.

It would seem teaching such responsibility could be a common ground for discussion between pro-life and pro-choice factions.

H. Obremski
Ellicott City

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World-Wide

THE HOUSE PASSED a measure curbing unfunded mandates.

The lawmakers joined the Senate in approving legislation to discourage Congress from imposing costly new requirements on state and local governments. Adopted 360-74, the bill leaves intact most of the current unfunded mandates that have produced an outcry from governors and mayors. Negotiators will meet to resolve minor differences between the House and Senate versions. (Article on Page A20)

To address existing rules, Speaker Gingrich wants the House to set aside at least one day each month to pass single-shot bills that would repeal "destructive" federal laws or regulations.

* * *

Almost 250,000 people were evacuated from low-lying areas in southeastern parts of the Netherlands, which has been hard-hit by flooding. Dutch soldiers worked to reinforce dikes along the Maas and Waal rivers. Many European nations are battling severe floods. (Article on Page A14)

* * *

A new AIDS drug, 3TC, prolonged the effectiveness of AZT significantly when the two drugs were used in combination, according to new patient studies. The studies involving 618 patients treated at two U.S. medical centers confirm similar results announced in November by European investigators. (Article on Page B2)

* * *

The PLO's Arafat has acted with confusion, secrecy and apparent ineptitude in many of his attempts to develop the economy of the West Bank and Gaza Strip. Moreover, key roles have been given to two unlikely Arafat advisers, neither of whom is a Palestinian. (Article in Column 1)

* * *

Medical researchers reported new evidence linking high levels of a blood substance called homocysteine to increased risk of cardiovascular diseases, including stroke. Their study also suggested that three types of vitamin B can lower levels of the substance, and thus a person's risk for disease. (Article on Page B2)

* * *

Gingrich last year interceded with the FDA on behalf of a Georgia company, Solvay Pharmaceuticals, that had donated money to the Progress and Freedom Foundation, which is affiliated with the House speaker. (Article on Page A20)

* * *

A group of Cuban refugees returned to the U.S. base at Guantanamo Bay, Cuba, from camps in Panama. The 100 refugees were the first of 7,500 who are being transferred back to Guantanamo from Panama. The Panama Cubans all are boat people who tried to reach the U.S. last summer. Panama agreed to house them until March 6.

* * *

Apache tribal members voted down a proposal to store radioactive nuclear waste on their reservation in Mescalero, N.M. The 490-362 vote nullified an agreement between tribal leaders and a coalition of 33 utilities seeking to store spent reactor fuel rods. Payments could have totaled $250 million for up to 40 years of storage.

* * *

Delegates from Peru and Ecuador said they agreed on a cease-fire in their six-day-old border dispute. But an official in Rio de Janeiro, where the two sides met, cautioned that an end to hostilities would take time to put into effect.

* * *

Bosnian Serbs reopened a supply route into Sarajevo for the first time in six months. But the Serbs severely restricted use of the road, permitting travel only by vehicles belonging to relief groups and the U.N.

* * *

Britain's Prime Minister Major fought to keep the Northern Ireland peace process alive by assuring the people of the British-ruled province they had nothing to fear from Anglo-Irish peace proposals. In a rare broadcast to the nation, he pledged that no political changes would occur without the consent of the people of Northern Ireland.

* * *

Prime Minister Dini won a final vote of confidence in Italy's Senate, clearing the way for his government to enact economic and electoral reforms. Dini will meet with Clinton tomorrow in Washington.

* * *

Vietnam opened a liaison office in Washington, marking a significant step toward normalizing relations two decades after the end of the Vietnam War. The U.S. opened its liaison office in Hanoi on Friday.

* * *

Died: George Abbott, 107, producer, writer, director and actor whose Broadway career spanned 80 years and 125 plays, Tuesday, in Miami Beach, Fla., of a stroke.

THE GREEN SHEET

News About the U.S. Department of Health and Human Services

Vol. 42 No. 22 Thursday, February 2, 1995

USA Today; 2-2-95 p. 1

Clinton to let localities plan battles in drug war

By Sam Vincent Meddis
USA TODAY

The Clinton administration wants to raise the federal drug war budget and restructure programs so local communities have more say in how millions in grant money can be spent.

The White House's 1995 anti-drug strategy — in a report to be released next week — also calls for new deregulation efforts designed to streamline community grant applications.

President Clinton last year sought $13.2 billion to fight drugs. This year's increase had not been decided Wednesday afternoon, but the spending ratio on law enforcement-related activities vs. prevention and treatment won't change.

Now, nearly 60% of funding goes to law enforcement.

Aides say the drug budget — the largest ever — demonstrates Clinton's commitment.

But David Condliffe of the Drug Policy Foundation says they're overstating the problem: "It's a dangerous and false message ... which is interfering with intelligent education and prevention efforts."

The 1995 report also finds:

▶ Cocaine and heroin are more affordable and obtainable than ever.

▶ The nation's health care system is straining, with nearly 500,000 annual drug-related hospital emergencies.

"We've got fewer services, sicker people and more of them," says Michael Gimbel, chief of anti-drug services for Baltimore County, Md.

▶ Marijuana is more inexpensive, potent and available.

The report also suggests convening an anti-drug summit of Cabinet-level foreign leaders.

Wall St. Jrnl.; 2-2-95

Gingrich Interceded With FDA for Firm That Had Donated Money to Foundation

By Phil Kuntz
And Laurie McGinley A20
Staff Reporters of The Wall Street Journal

WASHINGTON – Newt Gingrich last year interceded with the Food and Drug Administration on behalf of a Georgia pharmaceutical company that had donated money to a foundation affiliated with the congressman.

Officials with the company, Solvay Pharmaceuticals Inc., and the foundation said Mr. Gingrich's action – pressing the FDA to justify a delay in approving a Solvay drug – wasn't connected to the donation. Contacted last night, Gingrich spokesman Tony Blankley said he knew nothing about the matter and couldn't comment.



Newt Gingrich

Lawmakers do intervene with federal agencies on behalf of constituents and donors, but the practice sometimes has drawn controversy because of concerns about undue influence. Moreover, Mr. Gingrich, now House speaker, is connected with an array of different fund-raising vehicles, including the foundation, a political-action committee, a conservative television network and his own campaign committee. His intervention on behalf of Solvay follows the disclosure of two other instances in which private interests donated to enterprises connected to Mr. Gingrich and sought his help in official matters.

Solvay Pharmaceuticals, a subsidiary of Belgian chemical giant Solvay SA, was one of many health-related companies that donated money to the Progress and Freedom Foundation, a nonprofit group founded by associates of Mr. Gingrich. The think tank sponsors Mr. Gingrich's nationally televised college course and, at Mr. Gingrich's behest, is studying ways to revamp the FDA to speed product approvals, a reform long advocated by drug companies.

Size of Donation Undisclosed

The donation from Solvay Pharmaceuticals, based in Mr. Gingrich's suburban Atlanta district, came in the first quarter of 1994, said foundation Vice President Bill Myers. Mr. Myers and Solvay officials declined to disclose the size of the contribution, but Mr. Myers said the company was "not a major donor." The foundation says it has received a total of $1.7 million in donations during the past two years, the average being $17,625.

Mark L. Miller, a Solvay vice president, said the company's donation "didn't have anything to do with" Mr. Gingrich's letter to the FDA. The foundation's Mr. Myers said: "There's absolutely no linkage. . . . There's no quid pro quo here."

On July 22, 1994, Mr. Gingrich and Rep. Cass Ballenger (R., N.C.) wrote to FDA Commissioner David Kessler to inquire why approval of Luvox, Solvay's drug for obsessive-compulsive disorder, had been delayed for 2½ years.

"Time delays of months or even weeks are critical to a small company in this industry," the lawmakers wrote. The letter pressed Dr. Kessler to explain the delay. "If indeed the delays are administrative and not substantive, we feel it is an unfortunate event for this company and for the potential patient population," they said. The letter and the FDA's response were obtained under the Freedom of Information Act.

The FDA notified the company on Aug. 30, 1994, that the agency would approve the drug subject to certain conditions, according to the FDA's Oct. 24, 1994, response to Mr. Gingrich. The drug received final approval in December and is being marketed by Solvay and Upjohn Co. of Kalamazoo, Mich.

No Review Impact, Says FDA

Solvay's Mr. Miller said the letter had no effect on the FDA's review of the drug, and another person familiar with the matter said that the FDA already had decided to give the drug conditional approval weeks before Mr. Gingrich wrote his letter. An FDA spokesman said the Gingrich letter didn't affect the approval process. A spokesman for Mr. Ballenger said the congressman got involved because he had been contacted by constituent with a family member who works for Solvay.

A similar episode was disclosed by the Capitol Hill newspaper Roll Call last month.

Mr. Gingrich last September urged the White House to press the FDA to approve a home AIDS test manufactured by Direct Access Diagnostics, a subsidiary of Johnson & Johnson. One month later, Direct Access President Elliott Millenson contributed to the Progress and Freedom Foundation. In December, the company itself made a contribution. Johnson & Johnson had contributed to the foundation in 1993.

J&J spokesman Jeffrey Leebaw declined to divulge the amounts of any of the contributions. But he said there wasn't any connection to Mr. Gingrich's efforts on behalf of the test kit. "There has been a suggestion of a quid pro quo, and we're saying that's absolutely untrue," he said yesterday. The kit still hasn't been approved.

Wash. Post; 2-2-95

For Va. Woman, Welfare Wasn't An Easy Ride

By Sandra Evans
Washington Post Staff Writer

Pamela Cave found her husband through the magic of cable television—literally.

He had taken off one night, leaving her with three children and pregnant with a fourth. She discovered where he was because he had taken the cable box with him, and she tricked someone at the cable company into telling her where the new hookup was.

"That started a bitter round of child-support battles in Fairfax County that resulted in his being ordered to pay $660 a month to support her and (ultimately) their five small children. (The youngest is 21 months old—the product of an attempted reconciliation.) But for 2½ years, she was on welfare.

"I just wanted to be a wife and have children," she said. "But that changed the day he walked out."

Cave may not seem like the typical welfare mother, but actually, she is not unusual. The National Women's Law Center has said that the "average" welfare family is headed by a 26-year-old divorced mother. At 30, Cave lives in a yellow house on a cul-de-sac in Chantilly, and she is active in the Episcopal Church. A Republican, she gets daily inspiration from Rush Limbaugh.

The road she has traveled—from housewife to mother on welfare to stay-at-home single mom and student—will take her before a congressional panel today to make this point: Not all welfare mothers are unmarried teenagers imagining a soft life riding on the government's back.

Many believed they had made a valid and honorable choice in staying home with their children. But when the husband and father who had been supporting them left, all that changed.

Make those fathers pay child support, she plans to tell a House subcommittee, and the need for welfare in many households will disappear.

"Not every child-support case is a welfare case, but every welfare case is a child-support case," Cave said in an interview interrupted by children's calls for juice, help in nose-wiping and permission to go outside in the snow.

The leading welfare revision proposal would make recipients work or cut off benefits after two to five years. Congressional Republicans wanted to consider child-support issues later, separately from their get-tough welfare plans. But pushed by Democrats and several women's groups, GOP leaders now say they will include tougher child-support provisions in their welfare legislation.

This was welcome news to several women's

See WELFARE, p. 5

State gets federal OK to privatize Medicaid

By Jonathan Riskind
Dispatch Statehouse Reporter

The "easy part" of the OhioCare health-care program — winning federal approval — is over, state officials confirmed yesterday.

Still, that took 10 months of arduous, nit-picking negotiations between Republican Gov. George V. Voinovich's administration and the U.S. Department of Health and Human Services.

"OhioCare is an innovative program that will provide health care to our neediest citizens," human services Secretary Donna E. Shalala said in a statement.

However, a lot must occur before that can happen, said Arnold R. Tompkins, state director of human services, at a news conference in which he and Voinovich announced Shalala's approval.

The start-up date is to be Jan. 1, and parts of the effort to essentially privatize much of Ohio's Medicaid program won't be operating for two or three years.

"The easy part is what we just did, and that wasn't easy at all," Tompkins said. "We have a long way to go."

The challenge is in trying to transform the sprawling and inefficient Medicaid system, covering mainly welfare recipients and nursing home patients, into a managed-care network extending coverage to about 375,000 working poor.

"OhioCare is an innovative program that will provide health care to our neediest citizens."

Donna E. Shalala
U.S. Health and Human Services secretary

Voinovich said OhioCare figures large in his welfare-reform plans. Many people remain on the welfare rolls because they are afraid to lose their health-care benefits, he said.

"OhioCare is a crucial element in our administration's welfare reform efforts," Voinovich said. Those efforts include a possible elimination of the General Assistance program.

A number of state law changes are needed to put OhioCare into effect.

Senate President Stanley J. Aronoff and House Speaker Jo Ann Davidson announced a joint House-Senate select committee will consider OhioCare and other welfare-reform legislation. The panel will "streamline the legislative process," the Republican leaders said.

About 1 million of 1.4 million Medicaid recipients will be part of OhioCare. Nursing home residents and other aged and disabled recipients are excluded and will continue to get treatment for which the state is billed after services are rendered.

Anyone living at or below the poverty level — about $12,300 for a family of three — is theoretically eligible for OhioCare.

About 500,000 people not now eligible for Medicaid fit into that category, but OhioCare is likely to cover 375,000, state officials acknowledge.

About 1.2 million Ohioans have no health insurance.

Under managed care, networks of health-care providers are given a set amount of money to provide all of a person's medical needs. The theory is that people will receive more preventive and primary care, at a lower cost, rather than expensive emergency care.

In addition, OhioCare will mean applying managed care to special services such as mental health and drug-abuse programs, although spending caps for those programs will be phased in.

OhioCare will cost about $45 billion over five years, the demonstration period approved by the federal government.

That is basically the same Ohio would have spent in state and federal funds on Medicaid, although state officials say they will save $800 million by bringing special health related services under managed care.

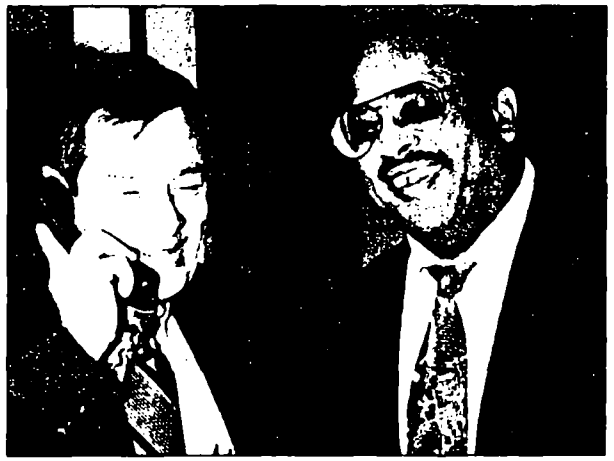
Included in OhioCare's budget is about $600 million a year in hospital and federal charity care and other indigent health-care money OhioCare will use to help bring the working poor into its system.

Advocates for the poor, hospitals and other health-care providers and some Democratic lawmakers fear that the quality of care will suffer under pressure to care for more people.

State Rep. Otto Beatty Jr., D-Columbus, said he wonders whether the state can ensure that provider networks include enough doctors and hospitals convenient to inner-city and rural poor people.

U.S. Rep. Louis Stokes, D-Cleveland, the senior Democrat in Ohio's congressional delegation, said he intends to monitor how OhioCare is put into effect for the same reasons.

Hospitals have argued that even with OhioCare they will face uncompensated care costs. The Ohio Hospital Association advocates state taxes on tobacco and alcohol to help pay for OhioCare instead of the $100 million statewide hospital assessment that now helps pay for the charity care program.



Associated Press

Gov. George V. Voinovich, left, and Arnold Tompkins, Ohio Human Services director, are all smiles as they learn of OhioCare's approval.

The Metro Herald JANUARY 27, 1995

MAMMOGRAPHY, PAP AWARDS SEEK 30–90 PERCENT DECREASES IN CANCERS



DONNA E. SHALALA
HHS Secretary

HHS Secretary DONNA E. SHALALA recently announced that $68.7 million was awarded during 1994 to all state health departments to expand THE NATIONAL BREAST AND CERVICAL CANCER EARLY DETECTION PROGRAM.

The goal of the program is to reduce breast cancer deaths by 30 percent and cervical cancer deaths by more than 90 percent through increased mammographies and Pap testing.

"More than a half-million women may lose their lives to these cancers this decade," Shalala said. "We are taking aggressive action now to protect all American women from diseases that tragically have reached epidemic proportions."

Fifty states, three territories, the District of Columbia, and nine American Indian tribal organizations will now participate in a strategic approach among government, private sector, and voluntary organizations to bring more women into screening programs.

Authorized by the BREAST AND CERVICAL CANCER MORTALITY PREVENTION ACT OF 1990 and administered by the Centers for Disease Control and Prevention, this program began four years ago in eight states.

"This initiative will remove many of the financial barriers women face in getting timely mammograms and Pap tests," Shalala said, "but that alone won't completely solve the problem. Comprehensive strategies like this will be needed to educate and motivate women to seek these screening services." States with comprehensive grants will make mammograms and Pap tests available ***free*** to low-income women.

The early detection program relies heavily upon outreach and educational systems to ensure widespread participation among all women. The benefits of such programs are particularly important for women of racial and ethnic minorities where mortality rates are disproportionately high.

Educating health professionals as well as consumers is the cornerstone of this effort that seeks to guarantee women the most available, accessible, and technically sound screening and follow-up experience possible. Sophisticated surveillance and evaluation systems monitor program progress.

Funds are provided to states to build programs in two phases: "Comprehensive" awards, supporting fully implemented programs, ranging from $1 million to $3 million each, went to Alaska, California, Colorado, Florida, Georgia, Maine, **Maryland**, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Utah, Washington, West **Virginia**, and Wisconsin.

"Planning" awards, created to help states prepare for comprehensive funding, averaging $200,000, went to Alabama, American Samoa, Arizona, Arkansas, Connecticut, Delaware, **District of Columbia**, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Montana, Nevada, New Hampshire, New Jersey, North Dakota, Puerto Rico, South Dakota, Tennessee, Vermont, Virgin Islands, **Virginia**, and Wyoming.

In 1993, the enabling legislation was amended to authorize funding to American Indian tribes and tribal organizations. Nine tribes were funded, with individual awards ranging from $81,000 to $300,000: Arctic Slope Native Association (AK), Cherokee Nation (OK), Cheyenne River Sioux (SD), Eastern Band of Cherokee Indians (NC), Mannilaq Association (AK), Pleasant Pointe Passamaquoddy (ME), Poarch Band of Creek Indians (AL), South Puget Planning Agency (WA), and the South-Central Foundation (AK).

Although breast and cervical cancers exhibit different patterns of disease, early detection and prompt treatment can alter the natural progression of both these diseases and can reduce mortality.

Breast cancer is the most common cancer in American women and second only to lung cancer as a cause of premature mortality. For 1994, the American Cancer Society estimates 182,000 new cases and 46,000 deaths. Although incidence rates are increasing, early detection and improved treatment have kept mortality rates stable over the past 50 years.

In recent decades, cervical cancer has declined in incidence and mortality. Since 1950, the incidence of cervical cancer has decreased 76 percent, and mortality from the disease has decreased 74 percent, attributed to widespread use of the Pap test.

Since the early 1980s, however, the rate of decline of invasive cervical cancer has leveled. The American Cancer Society estimates 15,000 new cases of cervical cancer and 4,600 deaths in 1994.



Gregory Dukor/Reuters

JOINT EFFORTS — Tipper Gore, left, and Health and Human Services Secretary Donna Shalala visiting a Moscow maternity clinic Thursday. Vice President Al Gore, Energy Secretary Hazel O'Leary, Defense Secretary William Perry and other U.S. officials are in Moscow for three days of talks on U.S.-Russian cooperation.

INTERNATIONAL HERALD TRIBUNE 12/16/94 P. 3

USA Today; 2-2-95

First lady speaks out about women's health

Hillary Rodham Clinton, recasting her role to become a champion for women's health, Wednesday urged resistance to expected efforts in Congress to cut funding for women's health research. "Nothing would be more imprudent or, in the long run, more costly, than to turn the clock back now on the advances that we are making," she said at a health-care conference.



By Matt Mendelsohn, USA TODAY

CLINTON: At Fannie Mae health-care conference in Washington

Since September, when efforts to overhaul the health-care system ended, Clinton has kept a low profile. But the first lady lately has re-emerged — in a role more like predecessors' — as an advocate for women's health, promoting breast cancer awareness and urging older women to get free mammograms available under Medicare for women over 65. The White House is planning a national campaign on the issue, to begin on Mother's Day. Women's health advocates worry that Republicans in Congress will cut funding for women's health research, like $150 million for breast cancer research in the budget of the Defense Department, which has advanced cancer research technology.

Fairfax Mother Takes Her Welfare Story to the Hill

WELFARE, from p. 1

rights groups, which want more responsibility put on noncustodial parents, mainly fathers.

"Child-support reform is crucial" to welfare reform, said Elisabeth Donahue, counsel to the National Women's Law Center. Only about 37 percent of poor custodial mothers have a court order for support from the father, and a third of those receive no money, according to the group.

Just how much could be saved in welfare if all child support were collected is hard to nail down. Aid to Families with Dependent Children, the nation's basic welfare program, costs states and the federal government $23 billion a year. U.S. Census figures show that more than $5 billion in court-ordered child support went uncollected in 1989, but not all of that is owed to women on welfare. Other groups have said as much as $34 billion a year in child support could be collected if all fathers were identified and somehow made to pay adequate support.

But some Republicans are skeptical of how effective it would be to crack down on fathers. "Theoretically, you could save a fortune. But we've been trying since the mid-1970s," said one Hill staff member working on welfare legislation.

Eric Cave, Pamela Cave's estranged husband, said he wanted to do more for his children but had problems with his job and needed to make enough to support himself. But he agrees that the child-support system is inefficient and unfair. Cave said he had to go to court so many times that he was asked to resign from his job at a supermarket. Then he moved in with his parents and found a lower-paying job. Being unemployed put his support further in arrears.

"To get everything to where it should be takes too long," he said. "It's not fair" to anybody.

Cave, 31, now is a department manager at Food Lion in Fair Lakes, making $10 an hour, and the government takes 65 percent of his salary. His wife gets $660 a month for their children: Phillip, 7; April, 6; Tricia, 5; Megan, 4 (born a few months after their separation in May 1990); and Thomas, 21 months.

Another piece of Cave's salary goes to the State of Virginia to pay back the welfare his wife and children received. He said he ends up with about $580 a month. He commutes from Fredericksburg, Va., where he rents a room for $75 a month.

For Pamela Cave, forcing welfare mothers to work raises a big issue: child care. While on welfare, Cave totaled up the cost of child care for her brood plus transportation costs, and it just didn't add up to any salary she could get.

Her only work experience has been part time as a bank teller, a preschool teacher and an aerobics instructor. She even contacted a day-care center to see whether she could get a job there and enroll her children, but she found out she still would end up paying more for the day care than she would make. Cave is working on her master's degree and hopes to go to law school.



BY LIA PAM SMITH — THE WASHINGTON POST

Pamela Cave, 30, and her five children, including her daughter April, 6, at right, were on welfare for 2½ years.

"She really can't go to work, because child care is so expensive," Eric Cave agreed. "At one point, we had four kids in diapers."

Even with the support, Pamela Cave needs other assistance. Federal government housing vouchers pay some of the rent on her three-bedroom house. Her sister helps her buy food, her parents help her with gas money and her church helps her with clothes and food. She would like her estranged husband to do more.

"Responsibility should be demanded of both parents," she said. "Not just the one . . . with the child."

The Topeka Capital-Journal, Thursday, January 19, 1995

State welfare reforms awaiting federal approval

The Associated Press

State welfare reforms that could save Kansas and the federal government about $4 million each annually may be implemented as early as April 1.

The reforms would implement policies that encourage people to work rather than remain on welfare.

The Department of Social and Rehabilitation Services is awaiting approval from three federal agencies — the Administration for Children and Families, Health Care Financing Administration and Department of Agriculture.

All three agencies must waive certain federal requirements in order for Kansas to continue receiving federal aid and keep its own policy reforms.

The Legislature gave the plan, called Actively Creating Tomorrow, its stamp of approval last year when it passed the welfare reform bill. That law authorizes the state to seek federal waivers as long as they don't cost the state more money or lose federal funding.

Janet Schalansky, acting secretary of SRS, provided the House Committee on Health and Human Services with a progress report on the plan Wednesday.

The plan's goal is to get people off welfare by encouraging them to work, using a system of monetary incentives and penalties.

One proposal is the Electronic Benefits Transfer system, which would put access to cash, food stamp and medical assistance benefits on a system similar to a credit card.

Individuals on welfare would also be encouraged to find employment and remain off welfare benefits. One proposed reform aimed at accomplishing this is to limit employable clients to a maximum of 30 months in KanWork, a program of education, training services and welfare-sponsored jobs.

After that, they would be ineligible for assistance from Aid to Families with Dependent Children. This is subject to federal approval of the state's waiver proposal. The federal government has said it wouldn't support reducing benefits to anyone who is working satisfactorily.

In response, SRS has offered a three-month Alternative Work Experience Program for those who have completed the maximum of 30 months in KanWork. Those who refuse the program would have their cash assistance reduced. Those who complete it would still be ineligible for KanWork but would continue to receive cash assistance.



–Amy Kunhardt The Capital-Journal

Janet Schalansky

Acting state welfare secretary

Sacramento Bee; 1-25-95

Serna in White House welfare workshop

By Larry Hicks
Bee Staff Writer

Sacramento Mayor Joe Serna Jr. has accepted an invitation from President Clinton to give the White House advice on welfare reform, saying he will take a message of jobs – not handouts – to the nation's leaders this weekend.

"The best welfare check is a paycheck," Serna said Tuesday. "If you're gonna talk about reform, which I support, it has to be coupled with a serious discussion about jobs."

Serna also has ideas for welfare reform locally, and said the city of Sacramento has begun "very preliminary" discussions to possibly take over administration of some welfare programs from the county.

Serna was one of two mayors invited to Clinton's Saturday morning workshop, according to Michael Picker, Serna's chief of staff. He will join a bipartisan group of governors, members of Congress, local, county and state representatives from across the country.

Also scheduled to attend the workshop are GOP leaders Sen. Bob Dole and House Speaker Newt Gingrich, and Democratic Sens. Christopher Dodd and Ted Kennedy.

Serna will leave for Washington Friday morning and return Sunday, Picker said. He will be accompanied by John Molloy, Sacramento Housing and Redevelopment Agency director.

In a letter to Serna, Clinton said the country's welfare system was broken and he wanted advice from local leaders on how to fix it.

"The current welfare system is a bad deal for the taxpayers who pay the bills and for the families who are trapped in it," Clinton wrote. "I hope we can use this working session to put aside politics as usual and begin earnest work to solve one of our nation's most pressing problems."

Serna said he will "test the Republican mettle" on their commitment to restructuring welfare to provide opportunities for the poor.

"They're for jobs, I'm for jobs. Put your money where your mouth is. Republicans want to take people off welfare – fine. Train them and find them jobs in the private sector."

Picker said Serna and Clinton have gotten along well during the president's visits to Sacramento, the latest last week to inspect the damage caused by flooding. Serna endorsed Clinton during his presidential campaign.

"They wanted a Western mayor," Picker said of the mayor's selection to the workshop. "They know California's program works differently from other states, but when they cut states and counties it hits cities hardest," he said.

As part of welfare reform, the federal government is also discussing transferring more welfare programs to the local level, where it is believed they could be run more efficiently.

In many East Coast states, cities run their respective welfare programs. Welfare in California is funded by the state and administered by counties.

Serna said the city has started talks with county officials about a pilot program that would place social programs, such as Aid to Families with Dependent Children, under city control.

"Most of the social services-dependent population in the county lives in the city," Serna said. "Ninety percent of all public housing is within city limits. So though we may not run those programs directly, they have a big impact on the city."

The cost of Serna's White House visit was undetermined, but could be reduced to several hundred dollars with federal air fare. "We're still scrabbling money together," Picker said. "Some of it may come from our mail budget (a $5,000 discretionary account)."

The Courier Journal Louisville, KY 1/16/95

Head Start cuts likely, CDF says

■ Black children will suffer most if GOP amendment passes, children's group claims.

By Carmen McCollum
Clarion-Ledger Staff Writer

Essie Johnson, a St. James Head Start teacher, sat at a rectangular table with a half dozen 4-year-olds singing and clapping their hands as they listened to music helping them learn to count.

"It's a good program," Johnson said of Head Start in Rankin. "It offers parents a safe environment for children to go to, and they can learn something at the same time. Many of these children are from single-parent families. If they didn't have a place like this to go to, they could easily be left at home."

The Children's Defense Fund, a national children's organization, says agencies such as Head Start are among several social service agencies that will lose out if a Republican proposal to balance the budget is approved. They say the plan would unfairly rest on the backs of children, with poor black children suffering the greatest setbacks.

"Cuts in Head Start could be devastating for the children we serve," said Marjean Myatt, education director for the Institute of Community Services in Holly Springs. "There are very few alternatives. It would place them farther behind and deny them the start that they need to be successful in life."

The Institute of Community Services oversees Head Start programs in Tunica, Tate, Tallahatchie, Quitman, Panola, Marshall, Lafayette, Grenada and DeSoto counties. It serves about 2,020 youngsters.

Mississippi Human Services Executive Director Gregg Phillips said the Children's Defense Fund is speaking out of turn and no one has enough information to say what the plan could mean if approved.

BALANCED BUDGET IMPACT ON MISSISSIPPI

According to the Children's Defense Fund, in Mississippi:

- 30,950 babies, preschoolers and pregnant women would lose infant formula, and other women, infants and children nutrition supplements.
- 82,000 children would lose food stamps.
- 122,400 children would lose free or subsidized school lunches.
- 97,450 children would lose Medicaid health coverage.
- 7,250 children would lose Head Start early childhood services.
- 43,350 children would lose remedial education through Title I.

Source: Children's Defense Fund

Known as the Contract With America, the proposal calls for balancing the federal budget by fiscal year 2002. It is among many proposals that grew out of the GOP platform. It still faces an uphill battle in the Senate.

"It's likely that these cuts would force children to bear a disproportionate share of the cuts," Children's Defense Fund spokeswoman Lynn Bowerson said from her Washington office. "We're not saying there shouldn't be any sacrifices or that the budget shouldn't be balanced. What we are saying is that there should be a fair sacrifice for all."

The Children's Defense Fund fears at least 2 million black children would lose welfare benefits, 77,000 fewer would be served by Head Start and 1.5 million would be left uninsured because of Medicaid cuts.

"Anyone who claims to have information about how children would be hurt is crying wolf," Phillips said. "According to the information we have, Mississippi's share of the federal funds would remain the same."

Phillips maintains the proposal combines programs and reduces duplication.

People who benefit from programs such as WIC and Medicaid don't see it that way.

"If I were to lose any Medicaid benefits, it would really hurt," said Margie Mangum of Pearl. "Both my husband and I work and we adopted our great-grandkids. The boy is 4 years old and he's sick a lot more than the little girl is. . . . It takes everything we've got to pay for medicine. Just last week, I spent $17 for a little bottle of cough medicine."

Wall St. Jrnl.; 2-1-95

King of Reform Schools Eyes Orphanages

By JOHN R. DORFMAN
Staff Reporter of THE WALL STREET JOURNAL

Suppose Newt Gingrich gets his way, and orphanages dot America's landscape. Don't be surprised if James Hindman ends up running a lot of them. For profit.

Mr. Hindman is in charge of a nationwide chain of 10 for-profit reform schools housing some 1,400 students. Youth Services International Inc., Owings Mills, Md., reported revenue of $34.7 million in the latest fiscal year ended June 30.



James Hindman

Total reform-school population nationwide is about 100,000. And juvenile crime is a growth industry. According to Youth Services, the arrest rate for murder by juveniles quadrupled in the past 25 years, and the rate for rape and robbery more than doubled. In dollars, the reform-school market amounts to more than $3 billion annually, Mr. Hindman says. Putting a child in reform school for a year costs about $50,000.

"Newt Gingrich has the right idea," says Mr Hindman, 59 years old, who grew up in an Iowa orphanage and went on to become a Marine, a football coach, a nursing-home entrepreneur and founder of Jiffy Lube International Inc., a chain of quick oil-change outlets, in 1979.

"There were 1,200,000 live births to unwed mothers last year in the U.S.," Mr. Hindman says. Most of those mothers "cannot afford and cannot control the kids. . . . You cannot call a 14-year-old girl a family."

So Mr. Hindman says he is thinking "very seriously" about branching out into the orphanage business. "That would be right down our alley," he says.

Mr. Hindman's career has long been a mixture of profit motive and philanthropy. Jiffy Lube was a for-profit business, but ran into trouble partly because Mr. Hindman let the company lend too much money to franchisees, some of whom were former players he had coached in college football. The company was sold for $100 million to Pennzoil Co. in 1990, a year before Mr. Hindman founded Youth Services.

So far, Youth Services appears to be avoiding the business mistakes of taking on too much debt and expanding too quickly that hurt Jiffy Lube.

Total liabilities as of Sept. 30 were $4.4 million, down from $5.9 million a year earlier. And Mr. Hindman intends to avoid pell-mell expansion. After quadrupling revenue in the year ended June 1994, he is targeting revenue growth at a more modest 45% this year, to around $50 million, partly by buying more facilities.

Profit margins were about 6% in the latest fiscal year, and 3% in the September quarter, as the company began paying taxes. Of annual expenditures of $32.6 million, about 60% goes to salaries, 15% to corporate overhead, 10% for building maintenance, 10% for food, clothing and health and 5% for insurance and other expenses. There is no separate budget item for security, Mr. Hindman says, because most employees are expected to do both security and educational duties.

The company collects fees from state agencies averaging $110 per student per day, about the same figure spent for state-run programs.

Through a charitable foundation he set up, Mr. Hindman pays for a few extras. For example, some students at Clarinda Academy in Iowa have taken flying lessons. Other students have traveled to South America and Japan to play basketball.

Almost half the revenue of Youth Services comes from the Charles H. Hickey Jr. School, a reform facility in Baltimore with about 300 students. The school is a neatly kept but slightly forbidding complex of about 20 cement block, brick and stucco buildings set in the Maryland countryside. Students are assigned there by a state judge, and stays range from a month to two years.

As he guides a visiting reporter around the school, Mr. Hindman volleys comments to the reporter and to George T. Hudgens, the school's executive director and a former Army colonel. Mr. Hindman says he's been meaning to do something about the barbed wire in the secure area of the school that he says makes the place look like a concentration camp. He suggests to Col. Hudgens that it be replaced with "anticlimb" wire that leans inward but isn't barbed.

The school was the company's biggest challenge to date, with a reputation for taking the state's toughest juvenile offenders. Youth Services took over management of the state-owned complex in 1993, and today offers students a wider range of activities than before, including horseback riding, auto repair and computer training, Mr. Hindman says. As incentives, students in the system who show progress and cooperation get later bedtimes, the right to visit other students' rooms, television privileges, snack food and the chance to participate in setting school rules. Students

Please Turn to Page B4, Column 6

Continued From Page B1

generally get up at 5:30 a.m. and must be in bed by 10 p.m. There is "a plan for every minute of the day," Mr. Hindman says.

One unit of Hickey, the Tamar unit, is reserved for 24 young men convicted of sex offenses. A couple of months ago, one of them allegedly raped a female counselor—the only such incident reported at a Youth Services school, company officials say.

Mr. Hindman and his company come in for their share of criticism.

Barry Krisberg, president of the National Council on Crime and Delinquency, a private research group, says Mr. Hindman's schools are essentially traditional reform schools with more sports and activities, improved efficiency and kinder treatment of the students. That's praiseworthy, he says, but what's really needed is "after-care," including help in finding jobs and continuing counseling.

"It's almost irrelevant what you do in the institutional stage if you don't have a good after-care program," Mr. Krisberg says.

Mary Ann Saar, former Secretary of the Maryland Department of Juvenile Services, in a newspaper interview last summer assessing the Hickey school's performance, said it had been slow to implement the vocational-training programs it promised. She added that it didn't give enough academic offerings and needed to provide more help to students with drug problems. State officials have also said the female staffer who reported being raped last fall should never have been alone with a young sex offender.

Mr. Hindman says he is working on after-care programs and laments the lack of funding for them. And he agrees proper procedures weren't followed in the alleged rape incident. As for course offerings at Hickey, he concedes a slow start but says the choice is much broader now; for example, auto-repair classes started last week.

Indeed, a department spokeswoman yesterday said Youth Services has "made very good progress in correcting deficiencies. They have really turned the corner, particularly in education."

Mr. Hindman has mostly pleasant memories of his own orphanage experience, particularly some teachers. He says he went to the Boys and Girls School in Sioux City, Iowa, from second through ninth grades because his father had left the family, and his mother was poor.

"We had Bible study every night," he says. "It was the best spiritual training that you could have." And, he says, "I learned to work," shoveling coal, doing laundry and farm labor.

The boy who grew up poor now says he has a net worth of $20 million. His 31% ownership of Youth Services International's stock is valued at $11 million.

N.Y. Times; 2-2-95 p. 1

A Deficit Reins In Sweden's Welfare State

By RICHARD W. STEVENSON
Special to The New York Times

STOCKHOLM — In the last six decades, Sweden built one of the world's most generous and successful social welfare systems, providing its citizens with a lifelong array of benefits that helped them maintain a high standard of living through good times and bad.

But now, unable to afford the bill, the country is being forced to pare social welfare spending. Although the cuts have so far hardly been Draconian, there is widespread anxiety that the system long seen as the model for combining socialist welfare policies with vibrant capitalism, could collapse under its own economic weight.

The strains are already beginning to show. Despite Sweden's commitment to universally available child care, local authorities in some areas have had to reduce spending on subsidized day care centers.

In the last few years, reductions have been made in unemployment insurance and in payments to workers injured on the job. Among a number of proposals likely to be enacted in coming months is a $17 reduction in the $100 monthly payment provided to every family for each child regardless of need.

Nearly every industrialized country is seeking to overhaul its social welfare system. As in the United States, the issue is moving to the political forefront across Western Europe, where the high costs of maintaining generous benefits are increasingly seen as a drag on the economy.

But no major Western nation faces financial pressure as in-



Charlie Dreistam for The New York Times

State cuts in Sweden coincide with a leap in the jobless rate to 13 percent. Women hunted for work at a job center in Stockholm.

Cont'd on next page

from previous page

tense as that of Sweden, where citizens remain downright coddled by American standards. Still, it is particularly unsettling to many Swedes that the most recently proposed cuts, the deepest so far, are being carried out under the party that built the system, the leftist Social Democrats.

The party, the dominant political force since the 1930's, regained power in elections last fall after three years in opposition, in part because voters felt that the conservative Government had gone too far in dismantling Sweden's liberal system.

"We are just nine million people, and we should be able to take care of each other," said Annelie Drevstam, an assistant at a Stockholm photo agency. "It's a new problem for Sweden that we have people living on the streets, and if I have to pay more in taxes or get less child allowance to help, I'm willing to do it."

Yet Sweden already imposes one of the world's heaviest tax burdens to pay for its social largess, with total Government receipts in 1993 amounting to 58.3 percent of gross domestic product, compared with 31.1 percent in the United States.

As a result, some Swedes, including Ms. Drevstam's husband, Mika Laitanen, say their commitment to social welfare has its limits.

Since the family is hoping to buy a house, Mr. Laitanen would like to see the Government do more to bring interest rates down, maybe even at the expense of cutting welfare, and he supports the tax-cutting philosophy of the conservatives.

"I would rather decide what I do with my money," said Mr. Laitanen, an electrician for the Swedish military.

The Swedish system provides, among other benefits, a guarantee of close to a full income indefinitely in cases of sickness and unemployment. It covers medical care and subsidizes educational costs, sets minimum retirement income and provides paid leaves of absence for new parents.

But faced with one of the developed world's worst budget deficits and plagued by a stubbornly high unemployment rate of 13 percent, Prime Minister Ingvar Carlsson has had little choice but to push for spending cuts.

In January the Government proposed a four-year, $15 billion program of spending cuts and tax increases, by far the biggest austerity package in the country's history, in an effort to stop the growth in the deficit and to bring down punishingly high interest rates.

The deficit surged from 7.4 percent of gross domestic product in 1992 to 13.5 percent in 1993. Although it dropped slightly by some measures last year, it remains more than three times as high as the average of 3.8 percent for the world's largest industrial countries.

Mr. Carlsson said he was confident of getting his package through Parliament, despite complaints from the left that the cuts were too deep and from the right that he was relying too much on tax increases. By 1997, he said, the deficit should be down to around 3 percent of gross domestic product.

Mr. Carlsson said his plan would bring financial stability to Sweden without forcing any wholesale changes in a system that extends far beyond providing a safety net for people who need help to recover from misfortune.

Under Mr. Carlsson's plan, for example, Swedish women would continue to be encouraged to take a year off from work after the birth of a child, but they would be paid 75 percent of their former salary for the year, down from 80 percent.

"We're trimming the system, not dismantling it," Mr. Carlsson said in an interview. "It's very clear to me as a Social Democrat that if we want a social welfare system, we have to have the income to pay for it. The condition for this is to strengthen the Swedish economy, and that's exactly what we are doing now."

Sweden's social safety net is being trimmed, not torn, the Premier says.

The slimming of the welfare state began under the previous conservative Government, led by Carl Bildt. In three stormy years as Prime Minister, he sought to impose a Thatcherite revolution on Sweden by cutting taxes, introducing free-market economic policies and asserting the need for more individual responsibility.

But Mr. Bildt's tenure coincided with the worst recession in Sweden since the 1930's. The jobless rate went from almost nothing in 1991 to 13 percent last year.

With the economy foundering and unemployment benefits and other welfare payments surging, Mr. Bildt's tax cuts led to a rising deficit. The problem was compounded when he was unable to find consensus in his coalition Government for large-scale spending cuts.

Mr. Carlsson's budget strategy has set off protests from some of those affected, including several thousand students who marched in Stockholm in January to protest cuts in their grants.

Many business executives and economists contend that the Government has been too timid in its cuts, though.

"In our view the proposed measures will not be sufficient, either in scope or direction, to achieve the necessary correction in state finances or the growth for which the Government is striving," the chairmen of eight of Sweden's largest companies — including Volvo, Electrolux and the technology giant Ericsson — said in a letter to Mr. Carlsson.

Some analysts say that rather than snip around the edges of the benefit programs, the Government will need to engage in a wholesale reassessment of Sweden's priorities.

"Inevitably, the debt burden will force Swedes to make large-scale modifications to their public benefit programs and accept slower growth in their standard of living," said a report from Moody's Investors Service, which analyzes the financial condition of countries and companies.

The need for a shift in public policy, Moody's said, "has not yet been accepted widely by the full population."

Sitting around their kitchen table in the Stockholm suburb of Skarpnack, Barry Andersson and his wife, Majvor Hansson, said the change that would be most widely felt — the $17-a-month reduction in child benefit payments — would not dent their comfortable middle-class life, even though they had two children.

"It's only because we've had such good times in Sweden that these small problems sometimes seem very big," Ms. Hansson said.

Mr. Andersson, a chimney sweep, and Ms. Hansson, who works in a psychiatric clinic, said they were confident that the Social Democrats would try to keep the social welfare system intact. They expressed a vague unease that Sweden might be lurching toward much bigger changes, but they made clear that they still expected a lot from their Government.

Mr. Andersson said he wished the Government would do more to reduce unemployment. Ms. Hansson said she wished the Government would come up with a program so that someone who was unemployed could take her job and she could take a year or two off — with pay.

N.Y. Times; 2-2-95

Hospital Postpones Surgery During Worst Blood Shortage in a Decade

By ESTHER B. FEIN

New York City is in the midst of its most critical blood shortage in about a decade, a situation that has forced at least one hospital to postpone elective surgery and others to prepare for the increasing possibility that they, too, will have to put off all but the most pressing operations.

"It's the most critical situation I've seen in the last 10 years, really touch and go," said Dr. Carl F. Wolf, director of the blood bank and transfusion services at the New York Hospital-Cornell Medical Center, where doctors are evaluating whether they will need to cancel some elective operations scheduled for today.

At the Montefiore Medical Center in the Bronx, doctors have already postponed one major cancer operation for fear that there would not be enough blood to safely operate, said Dr. Joan Uehlinger, director of the center's blood bank. "We're watching every unit in our inventory," she said, "and a lot more cases will be canceled unless the public responds."

The shortage in the city and surrounding suburbs has been building over several weeks as a flu epidemic that left many donors sick in bed converged with a national blood shortage that severely limited supplies from other regions, said Dr. John W. Adamson, president of the New York Blood Center.

The center, which provides most of the blood used by hospitals in the region, usually has enough blood for seven to nine days, with about 1,500 to 1,600 pints allotted for each day, Dr. Adamson said. It now has barely enough for two to three days.

"We have been limping along because the holiday season is usually a low supply time for us, but now we are teetering on the brink of a real crisis," he said. He said that the most severe shortage was of type O blood — what is commonly called the universal donor and the first type to be used in emergencies where there is no time to check blood types.

The directors of the blood banks at several of the city's largest hospitals said yesterday that with blood supplies dwindling, they have had to use frozen blood they ordinarily reserve for the emergency situations like major disasters, and that they are starting to warn surgeons that they may have to rank their patients' operations in order of need to preserve the low stocks.

"I just hung up from talking to our chief of anesthesiology, our chief of cardiac surgery and the head of our liver transplant services telling them that things look bleak and to forewarn them that I think we will probably have to do some postponing," said Dr. Morton Spivack, the blood bank director at the Mount Sinai Medical Center. "We already had a situation today where we had to use frozen blood for a liver transplant."

Doctors said that while it is hard to compare patients' conditions to decide who gets to be operated on and when, it will be necessary to do so if supplies don't improve. "It is difficult to compare patients' needs because each patient is unique," said Dr. Wolf. "But if we must, it must be done."

Among the operations that might be postponed are those for cosmetic procedures, cardiac bypass surgery, heart valve replacements, hip replacements and colon surgery.

The blood supply dwindles to a reserve of two of three days.

"Right now we are monitoring everything on a case by-case, unit by-unit basis," said Dr. Robert F. Reiss, director of the division of transfusion medicine at the Columbia Presbyterian Medical Center.

Dr. Reiss said the hospital had already adjusted its procedures to protect its reserves. For example, he said, surgical patients usually have particular units of blood set aside for their use during an operation. Since typically the patients do not use all the blood allocated to them, these days the hospital is matching several surgical patients to each unit of blood and is hoping they all do not need it.

Blood drives in the New York City area this winter had a lot of flu-related deferrals and no-shows, said Dr. Jeanne Linden, director of blood and tissue resources for the New York State Department of Health, which monitors blood banks. She said that upstate New York, not as badly hit by the flu epidemic, does not have a similar shortage.

Hospital blood bank directors said that severe shortages like this were more commonplace 10 or 15 years ago, but that better planning and improved donations had vastly improved the metropolitan area's blood supply. "There are periodic shortages, but not of this magnitude," said Dr. Kathleen Grima, medical director of the blood bank at the Westchester County Medical Center in Valhalla, N.Y.

People wanting more information about where and when to donate blood can call the New York Blood Center at (800) 933-2566.

The Miami Herald FL 1/18/95

A GOP vision for Medicare: fewer choices

Spiraling costs will force changes, lawmakers say

By R.A. ZALDIVAR
Herald Washington Bureau

WASHINGTON — Congressional Republicans are considering ways to shift Medicare beneficiaries into managed care plans that limit patient choice as part of the GOP effort to scale back government.

The Republicans think they can save billions of dollars. If they succeed, the health insurance revolution that has swept the workplace would finally reach the elderly.

"We'll do it through a voluntary process, but in not too many years most seniors will be in managed care plans," said Rep. Nancy Johnson, R-Conn., a veteran member of the tax-writing Ways and Means Committee.

Medicare — the government health insurance plan for 37 million elderly and disabled people — is an open-ended system that lets beneficiaries choose virtually any doctor or hospital. By contrast, most working-age Americans now get their coverage through plans that place at least some limits on choice.

Trying to change the way the elderly get their health care is considered so controversial that even the Clinton administration steered away from it in its ill-fated health reform plan.

"These are the guys who made choice versus socialized medicine the debate for the last two years," Martin Corry, a lobbyist for the American Association of Retired Persons, said of the Republicans. "It would be ironic if they now take 40 million people and say: 'Congratulations, you're in a system in which you have no choice.'"

Gail Wilensky, a leading GOP health care expert, said that's not going to happen.

"What we're talking about is much more gentle than what has occurred for the under-65 population," said Wilensky, who is advising Republican lawmakers.

She envisions a range of choices, from traditional Medicare to cost-conscious health maintenance organizations (HMOs), with incentives for beneficiaries to pick cheaper plans.

And she adds a warning: "If you want to keep Medicare open-ended, be prepared for the 30- to 40-year-olds to shell out big-time bucks for the 65 plus."

Congressional Republicans stress that no decisions have been made, but they point out that balancing the budget could require more than $200 billion over seven years in cuts from projected increases in Medicare spending.

The magnitude of those numbers alone argues for a restructuring of the program, Republicans say.

House Speaker Newt Gingrich, R-Ga., has called for redesigning Medicare, and Budget Committee Chairman John Kasich, R-Ohio, recently said Republicans are looking to the private sector for ideas.

In addition to managed care, Republicans are considering such cost-cutting measures as higher insurance premiums for well-off retirees and a limit on the rate of growth in Medicare spending. Moreover, Medicare's hospital trust fund is expected to go broke by the turn of the century.

"Managed care" is a broad umbrella that covers any health plan that tries to control patients' use of medical services. Ninety-five percent of insured, working-age Americans are in managed care.

Some managed-care plans allow free choice of doctors but require approval for hospitalization. Others require patients to get their care from a "preferred provider" network of doctors and hospitals who have agreed to offer the plan a discount. Patients who go outside the network must pay more.

The most structured form of managed care is an HMO, which agrees to cover enrollees' medical needs for a set fee. HMO patients select a family doctor, who must approve any referrals to a specialist, costly diagnostic tests, or hospitalizations before the plan will pay.

Studies have found no significant difference in quality of care between HMOs and traditional insurance. But people with complicated illnesses or chronic conditions often shy away from HMOs.

About 19 percent of privately insured Americans are in HMOs, and enrollment is rising. About 8 percent of Medicare beneficiaries have chosen HMOs.

OPTIONS

Congressional Republicans are considering many options to try to get more Medicare beneficiaries into managed care. Among the possibilities:

- **Open Medicare** to the whole range of managed-care plans, including preferred provider networks.
- **Set an amount** that the government will pay for health insurance and allow individual Medicare beneficiaries to select the type of plan they want. The government payment would be pegged to the rates charged by managed-care plans.
- **Change Medicare rules** to make it more attractive for HMOs to serve the elderly. Right now, Medicare beneficiaries can drop out of an HMO once a month; privately insured patients can only change their coverage once a year.
- **Allow low-cost health** plans to offer rebates to Medicare enrollees.

Medicare was modeled on employer-provided insurance.

THE DES MOINES REGISTER ■ FRIDAY, JANUARY 20, 1995

SIGNIFICANT PROGRESS

More of Iowa's children are getting immunized

By TOM CARNEY
REGISTER STAFF WRITER

Iowa health officials say they are making significant progress in their campaign to get young children immunized.

In a report to the Iowa Board of Health, David Miller said the state's 113 public clinics have seen a dramatic increase in the number of their patients who are fully immunized by age 2. That figure rose from 50 percent in 1993 to 65 percent last year, Miller said.

About half of Iowa's vaccination-age children are vaccinated at those clinics, he said.

Miller, chief of the state health department's Bureau of Childhood Immunizations, attributed the increase to the efforts of county and other local health departments to identify children needing vaccinations and target them for regular vaccinations.

The local departments were responding to widespread publicity, including lots of attention from the Clinton administration, on the low rate of immunization of American children, he said.

Miller said he's confident the state will reach its goal of having 90 percent of children vaccinated by the year 2000.

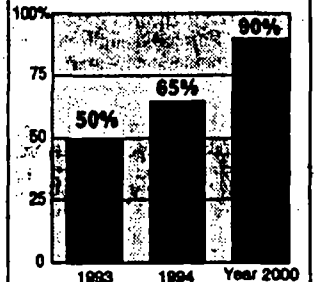
190 Sites

The state department now distributes vaccine from the federal government to 190 sites throughout Iowa. Besides the public clinics, they include rural health clinics and maternal-health and visiting-nurse programs.

THE REGISTER

IOWA IMMUNIZATIONS

THE PERCENT OF children fully immunized by age 2 at the state's 113 public clinics.



SOURCE: Iowa Dept. of Public Health, Bureau of Immunization

The vaccines are those recommended by national children's advocacy groups. They include vaccines against diphtheria, pertussis and tetanus (or DPT), polio, measles, mumps, rubella and hepatitis B.

The rate of children being vaccinated should increase even more after the department begins distributing the vaccine to private physicians. That's set to begin by May 1, Miller said. The state must first find a pharmaceutical wholesaler or other firm to distribute the vaccine.

Physicians could give the vaccine for free or at reduced cost to eligible children. Among such children, Miller said, are those whose parents are eligible for Medicaid, those with no health insurance and Native Americans.

In public clinics, children whose health insurance lacks immunization coverage also are eligible for reduced-cost immunizations, he said.

Increase Access

Distributing the state's vaccine to private physicians, said Miller, should significantly increase access to vaccinations.

"We've heard for years that they've wanted this vaccine," he said of the doctors.

A small but vocal national group has opposed the DPT vaccinations, especially, because of side effects its members consider unacceptable. But Dr. Gary Peasley, the Marshalltown physician who is president of the state health board, says the vaccinations are an important public health measure.

"The risks of the vaccinations are so small compared to the risks of not being vaccinated, it's essential to get them," he said.

Miller said childhood vaccinations are the key to preventive health care. They're cost-effective and provide the opportunity for health-care workers to see children regularly.

Besides, although most of the diseases the vaccines are designed to combat are declining, they're still around. "Children still die from them," he said, "and they're all perfectly preventable."

The Atlanta Journal - Constitution GA 1/25/95

22% of Georgians lack any health insurance

Rate among highest in the nation, institute estimates

By Bill Hendrick
STAFF WRITER

Georgia has one of the highest rates of residents without health insurance in the nation — 22 percent, or about 1.3 million people — according to estimates released today by the Employee Benefit Research Institute.

Twelve other states, six of them in the South, and Washington, D.C., also have more than 20 percent of their populations uninsured, said the Washington-based think tank.

The institute said its latest projections, similar in Georgia to those for 1994, are based on newer data, suggesting the number of uninsured is still rising.

"Georgia has a relatively low unemployment rate and a high uninsured rate," said Dr. Richard Saltman, a health expert at Emory University. "It obviously means employers are not choosing to provide health insurance."

The institute said 16.1 percent of Americans are uninsured, or 41.2 million people. In 1994, it estimated that 38.9 million Americans lacked health insurance.

Among states with the lowest uninsured rates are Wisconsin, 10 percent; Iowa, 10.9 percent; Connecticut, 12.1 percent; Rhode Island, 12.1 percent; and Utah, 12.4 percent.

"Historically the South has been worse off because it's typically been more rural, and the presumed fact that the educational system in the South is not graduating enough people, both white and African-American," said Dr. John Newman, a Georgia State University health expert. "This means lower jobs, worse benefits."

The institute also said:

▶ About 11.1 million children are among the uninsured, up from 10.2 million last year.

▶ A majority of insured Americans — 57.4 percent — receive coverage through their employers. The rest receive it from government programs — Medicare (12.9 percent) and Medicaid (12.3 percent) — or from a private source other than an employer or labor union (12.1 percent).

▶ Employment-based coverage has declined from 62 percent of the nonelderly population to 60.8 percent. Half of all uninsured workers are self-employed or work in private sector firms with fewer than 25 employees, and 24.5 percent of self-employed workers are uninsured.

▶ About 33 percent of private sector workers in firms with fewer than 10 employees are uninsured, compared with 11.5 percent of private sector workers in firms with 1,000 or more employees.

Tallying the uninsured

Georgia ranks 10th among states with the highest percentages of residents without health insurance:



1. Oklahoma	27.4%
2. Louisiana	27%
3. New Mexico	26%
4. Texas	25.1%
5. Florida	24.1%
6. Arizona	24.1%
7. Arkansas	23.5%
8. California	22.7%
9. West Virginia	22.5%
10. Georgia	22%

Source: Employee Benefit Research Institute, Washington, D.C.

GREY BLACKWELL / Staff

How would a tax cut affect you?

Gov. Zell Miller wants you to stop having to pay sales tax on food, but Georgia legislators are thinking instead about higher income tax deductions that could save you hundreds of dollars a year. Georgia probably can't afford to pass both tax cuts.

The Atlanta Journal-Constitution is looking for people who want to see how much they might save on their tax bills. If you'd like to take part, give us a call at 222-6688.

San Francisco Chronicle TUESDAY, JANUARY 24, 1995

Audit Says 10 UC Professors Cheated on Pay

Grant money may have broken rules

By Ben Wildavsky
Chronicle Staff Writer

Ten University of California at Berkeley professors affiliated with an off-campusresearch group apparently broke government rules by improperly supplementing their salaries with some $300,000 a year in federal funds, according to a recently completed audit.

A two-year investigation by campus authorities of the relationship between UC Berkeley and the Western Consortium for Public Health found "financial irregularities and apparent violations of university and governmental policies and regulations, as well as lack of administrative oversight" by UC officials, according to the 29-page report.

In one instance, a Cal professor making an annual full-time salary of $98,000 collected an additional $92,000 in a single year from a federal grant administered through the Western Consortium, a Berkeley-based nonprofit group affiliated with the UC Berkeley and UCLA Schools of Public Health.

Another Berkeley academic pulled in $82,000 in federally financed consulting fees from the Western Consortium in one year — on top of regular campus compensation of $104,800.

In all, three of the 10 faculty members accounted for $200,000 of the $300,000 a year in improper salary supplements, according to Joseph Cerny, Cal's vice chancellor for research.

The audit, completed in late December, was released by the campus yesterday following requests from The Chronicle. It has also been sent to the National Institutes of Health, which provided federal grants to the Western Consortium and is likely to view the apparent violations of salary rules as "a very serious problem," according to Cerny.

Federal and state rules typically require that government research grants used to pay a professor's salary be coordinated with campus payments so that scholars are not paid for more than 100 percent of their time.

"I believe it is wrong for faculty to use federal and state funds to pay themselves more than 100 percent of their salary," wrote UC Berkeley Chancellor Chang-Lin Tien in a letter about the audit that was sent to all faculty members on Friday. Any "ambiguities or loopholes" in campus or government rules "must be eliminated," he wrote.

Under new university policies, Tien added, all state and federal research grants must be transferred to campus supervision by February 15.

In a detailed 56-page response to the audit, attorneys for a group of the Berkeley public health professors maintain that the audit is based on incorrect assumptions about faculty work hours, that it misinterprets federal rules, that its analysis is flawed and that "faculty implicated by the report have not violated any university or federal policies."

In a separate response, the executive director of the Western Consortium says the group was unable to obtain "clear and understandable" explanations of UC policies on outside grants.

Patricia Buffler, dean of the UC Berkeley School of Public Health and an ex-officio member of the Western Consortium's board, sent a memo to faculty and staff members yesterday saying the board "has acted aggressively" to bring the nonprofit group into compliance "with all applicable university and federal regulations." The consortium has accepted no new outside grants for faculty research since February 1994, she wrote.

At issue in the audit is the complex and ambiguous relationship between the off-campus public health group and the UC professors who sit on its board.

At UC Berkeley — as at other research universities — almost all federal and state research grants are administered directly through the campus, which enforces strict rules on overhead costs and salary payments.

But the public health group, which initially focused only on raising money for continuing education projects, in recent years began obtaining substantial federal research grants on its own. The off-campus group used the university name on its letterhead, leading many research sponsors to believe it was part of UC. However, the money it received was not subject to university oversight.

According to the audit, that lack of oversight apparently permitted professors who received grants through the consortium to get around federal salary rules.

"The issue is these faculty are all full-time university employees," Cerny said in an interview yesterday. "The state taxpayers and the federal taxpayers expect that when you're working 100 percent for the university, that's all you should expect to get from public sources. If one were consulting privately, for a chemical company or something, it's a free market."

Because professors' standard salaries cover the September-May academic year, it is common for academics to use grant money to earn additional income during the three summer months. Under government rules, however, those research funds cannot be used for any salary supplement beyond the three-month summer period. In addition, any federally funded summer salary must be no greater than a professor's standard payment rate.

UC Berkeley officials said a confidential faculty committee will review the audit to decide if there are grounds to bring academic misconduct charges against any of the professors affiliated with the Western Consortium. To preserve confidentiality, the audit does not refer to any of the targeted professors by name.

COLUMN ONE
L.A. Times; 2-2-95 p. 1

Hospitals and the Church

■ Health care providers are merging with Catholic facilities to survive. But the trend puts some communities at odds with the strict doctrine, especially regarding abortion and the terminally ill.

By SHARI ROAN
TIMES HEALTH WRITER

With the next closest hospital 26 miles down a mountain road, patients with all kinds of needs are welcomed at Sierra Nevada Memorial Hospital in tiny Grass Valley, tucked into the Sierra foothills.

But some townspeople fear that if the community-owned Nevada Memorial affiliates with the larger, Catholic Mercy Healthcare Sacramento, as is planned, services long provided there may be disallowed by the strict doctrine governing Catholic health care institutions.

Some worry that women who want tubal ligations or even family planning advice will be turned away, and that the old or dying may lose the option to terminate treatment when the end of life is near.

Mercy officials as well as Nevada Memorial's board of directors—which will cast a preliminary vote on the proposal Feb. 10—insist that services would not change and that the hospital would remain non-Catholic.

Nevertheless, many Grass Valley residents remain concerned, and the once-private negotiations have exploded into a debate reflecting the philosophical and economic impact of the growing prominence of Catholic hospitals in a health care market that is enmeshed in rapid change.

Faced with uncertain financial futures caused by escalating costs, private, independent hospitals in many communities must merge and consolidate to survive.

The Catholic Church is the largest private health care provider nationwide, accounting for about 16% of hospital services. Because of their size and resources, Catholic facilities are able to buy and affiliate with many smaller hospitals that need such support to stay open. In Grass Valley, for example, Nevada Memorial solicited Mercy as a partner.

However, some consumer health groups say the expansion of Catholic health care institutions threatens the medical needs of women and men whose views lie outside the church's conservative doctrine.

They say that although Catholic hospitals provide a valuable economic boost in assuming struggling facilities, they may eliminate important choices for many patients.

Under the "Ethical and Religious Directives for Catholic Health Care Services," revised by the U.S. Conference of Catholic Bishops in December, Catholic hospitals may not offer contraceptive counseling, sterilization and abortion. They also may not offer artificial insemination, in vitro fertilization and other treatments for infertility. And they are limited as to what action can be taken when a patient is dying, such as the use of pain medication if it may hasten death.

About half a dozen partnerships between Catholic and non-Catholic hospitals have occurred in California in the past two years, said Bud Lee, executive director of the California Assn. of Catholic Hospitals. An estimated three dozen agreements have been reached nationwide.

In some cases, the ethical directives are imposed. In others, the non-Catholic hospital is not required to adapt to Catholic doctrine.

"The church is not trying to impose its will on others," Lee said. "What the Catholic Church and its ministries want to do is maintain a level of service to the community that it deserves. It's not to take anything away from anyone."

But instances in which a non-Catholic hospital became Catholic have generated criticism when the hospital is the sole provider of medical services in an area.

"The [Nevada Memorial] case is the beginning of public awareness on services for women in Catholic hospitals," says Susan Fogel, an attorney with the California Women's Law Center. "The issue is coming to a head because there is no other access to care for women" in Nevada County, which is in northeastern California.

This is not the first case of its kind.

With a steady stream of purchases, the Sacred Heart Health System organization of Eugene, Ore., has acquired almost 70% of the hospitals in Lane County, Ore., as well as a number of outpatient clinics and physicians' networks. It denies patients such services as artificial insemination and sterilization unless "medically necessary."

Partnerships between Catholic and non-Catholic hospitals have also raised community ire in Sacramento, Oakland; Davenport, Iowa; Springfield, Ohio, and Portland, Me.

Other mergers have been accomplished without discernible community response.

In June, when St. Joseph Hospital in Orange announced an agreement to purchase the privately owned, 240-bed Mission Hospital Regional Medical Center in Mission Viejo, there was little mention by hospital officials about the repercussions of Mission's conversion to a Catholic hospital. The hospital, which retained its name, no longer provides abortion, sterilization or in vitro fertilization.

In cases where a hospital is purchased or merged with a Catholic facility, the ethical directives usually are applied to the new facility. However, in other arrangements—particularly when hospitals simply "affiliate" to share some resources but retain their identities—the church has accommodated its partner's practice of providing some services, such as sterilizations and in vitro fertilization. Nevada Memorial is seeking this type of affiliation with Mercy. Moreover, in six mergers between 1989 and 1994, non-Catholic hospitals resulted, according to the Catholic Health Assn.

"It usually works to the satisfaction of both parties," Lee said. "We have seen some pioneering efforts on how Catholic and non-Catholic institutions can come together."

In affiliating with non-Catholic hospitals, Lee said, the church's aim is to provide quality health care to a community that may be in danger of losing services because of economic hardship.

Hospital mergers generally are seen as a necessary trend in the era of rising health care costs and emphasis on economic reform. The partnerships allow hospitals to consolidate services and share revenue and resources, Lee said.

But the increasing influence of Catholic health care is troubling to some—even those within the Catholic Church.

The nation's bishops have expressed their own unease at Catholic and non-Catholic health care coalitions, noting that even loose affiliations could result in confusion over the church's teachings.

At the bishops' conference last December, leaders noted that while the acquisitions are generally good for the church and individual communities, potential problems exist. Said the bishops: "The risk of scandal cannot be underestimated when partnerships are not built upon common values and moral principals."

"This is a major trend with major policy implications," said Frances Kissling, president of the Washington-based Catholics for a Free Choice. "In order to preserve revenue, hospitals and other health care institutions have to merge, acquire, grow and develop into these integrated networks. The Catholic health care institutions face the same pressures."

But Kissling said she fears that some communities, especially in isolated or rural areas, may not realize that when its hospital is purchased by the church, the Catholic ethical directives require that some services be halted.

According to research conducted by Catholics For a Free Choice, many of the mergers and affiliations have resulted in limits on sterilization, contraceptives counseling, safe sex counseling, treatment of rape victims and infertility treatments. In a few cases, such as Mercy Healthcare Sacramento's merger with Methodist Hospital in Sacramento, hospitals that were performing abortions have stopped as part of the affiliation.

But how the ethical directives—a list of 70 specific rules issued by the bishops—are applied to non-Catholic institutions varies with each case and often depends on the hospital's board, bishops and dioceses involved, Lee said.

"I think that a lot of people mistakenly believe that the restraints the Catholic institutions operate *under preclude them from having* mutually beneficial partnerships. That's not so," he said. "Let's just say that miracles do happen."

Full implementation of the ethical directives usually only applies to situations in which the non-Catholic hospital converts to a Catholic facility.

"A lot of it depends on the legal structure," said Corrine Bayley, senior vice president of mission and values for St. Joseph Hospital. "In an affiliation, a non-Catholic hospital remains a non-Catholic hospital, but it is in some way connected to the system. In our case, St. Joseph purchased Mission, so Mission now has the same [ethical] requirements as St. Joseph. So they had to change as to what they can do."

Similarly, when Providence Hospital and Merritt Peralta Medical Center merged in Oakland in 1992, Merritt stopped providing abortions and other reproductive services despite community outcry.

However, in Springfield, Ohio, a merger agreement between Community Hospital and Mercy Medical Center ended sterilizations but allowed Community Hospital to open a building on site for birth control services.

The impact on a community from such mergers often depends on whether patients have other places where they can seek services, Bayley noted.

"There are some obstetricians and their patients who will not be going [to Mission] now. And that is somewhat of a hardship. But there are any number of other hospitals a woman can go to [in South Orange County]," she said.

But, Kissling says she objects to a certain evasiveness, on the part of hospital and church officials, surrounding many mergers. She said she supports the community groups in Nevada County who are asking to be included in the negotiations. Often, communities don't realize the impact of a merger until it is too late.

"This is a truth-in-advertising question and an informed-consent question," Kissling said. "People

Cont'd on next page

Medical Mergers

Hospitals nationwide are merging and consolidating in order to save money. But some controversy has emerged over affiliations between Catholic and non-Catholic institutions. In one such merger, St. Joseph Health System purchased Mission Hospital Regional Medical Center last June. In becoming a Catholic hospital, Mission acquired several community outreach programs, including a chaplaincy department, but was required to stop providing a range of other medical services.

MISSION HOSPITAL REGIONAL MEDICAL CENTER

Where: Mission Viejo
Care: General acute
Beds: 240
Previous owner: Mission Viejo Medical Development Co.

Services eliminated from Mission as a result of purchase:

- Contraceptives counseling
- Sterilizations
- Assisted reproductive treatments, including in vitro fertilization
- Abortions

ST. JOSEPH HOSPITAL

Where: Orange
Care: General acute
Beds: 519
Owned by: Sisters of St. Joseph of Orange. Nonprofit.

Benefits gained by Mission as a result of purchase:

- Savings from centralized administration and shared resources
- Extended community health programs for the poor and underserved
- Department of chaplaincy
- Advocacy efforts on behalf of health care reform
- Assessment of community health care needs in South Orange County



KAREN TAPIA / Los Angeles Times

Mission Hospital Regional Medical Center is the largest in South Orange County.

Sources: Hospital Council of Southern California; Corrine Bayley, senior vice president of mission and values, St. Joseph Hospital

from previous page

Los Angeles Times

should be told what services will be available, especially in situations where the hospital is the sole provider of services in the region."

This was of particular concern on a rainy night last week, when the town hall meeting on the proposed affiliation drew 400 people to the high school theater. "It was one of the largest community meetings ever," said Nanci G. Clinch, a local attorney and opponent of the affiliation. "People had a lot of questions. The community has a right to full disclosure [about which services will be offered] and discussion prior to a vote."

Abortions have never been available at Nevada Memorial, but most other reproductive services are. Ninety-six tubal ligations were performed there last year. And other decisions, such as life-sustaining treatment at the end of life—an important issue in this largely retirement community—were left up to individuals and their doctors as long as no laws were violated.

"I am really worried about having personal choices in contraception," said Marsha Bartholomay, a single mother who lives in the nearby town of Rough And Ready. "If the hospital stopped doing it, family planning services would be nonexistent in this area. You would have to go to [about 50 miles] Sacramento for it. For me, that would be an extreme hardship. We use MediCal, so our options are already limited."

Some Nevada County residents are worried that the church might tighten its control of the hospital over time, despite reassurances that nothing will change, said Dr. Marian Gallaher, a retired physician and USC professor who lives in nearby Nevada City, Calif.

"Our hospital is saying, 'Don't worry about it, the directives won't apply to us.' Our concern is that four years later the hospital is enacting changes because of pressure from the [church]. If we are to be excluded from the Catholic directives, then we are hoping to get the exclusions in writing," said Gallaher, president of the Nevada County branch of the American Assn. of University Women, which co-sponsored the town hall.

Nevada Memorial, seeking a way to remain solvent and competitive, sought partnership proposals from larger institutions two years ago, said Daren Correll, public relations manager for the 120-bed hospital.

"We are not going to have religious artifacts on the walls. The way we practice medicine here would not change," he said. "The board will not agree to anything that is not in the best interest of the community."

Executives of Catholic health care facilities are sensitive to the concerns of a community, added Cindy Holst, a spokeswoman for Mercy Healthcare Sacramento.

Under an approach called the Community Sponsorship Model, hospitals that affiliate with Mercy are not asked to absorb the ethical directives "verbatim," she said, but are asked to follow "common values" that include such general concepts as preserving a patient's dignity and confidentiality. However, the "common values" approach does call for a "belief in the sanctity of life from the moment of conception until death," she added.

"The two areas in which the hospital would be in a position—from a policy standpoint—of not to providing services would be abortion and euthanasia."

Sometimes the differences in secular and Catholic philosophies cannot be reconciled. In one proposed merger involving three hospitals in Portland, Me., virtually all hospital care in the city would have been subject to the ethical directives.

The deal fell through when the two non-Catholic hospital boards balked at honoring the directives and church leaders refused to compromise.

Nevertheless, the impetus for hospitals to consolidate remains strong. After rebuffing the Catholic hospital, the other two are continuing their own merger negotiations with each other.

USA Today; 2-1-95

Snuffing out cigarette sales to minors is a major struggle

By Doug Levy
USA TODAY 30

When half the stores in Mesquite, Nev., sold cigarettes to minors two years ago — *after* the stores had all posted signs saying they wouldn't — police chief Michael Murphy knew he had a problem.

Steps Murphy has taken since then have cut cigarette sales to minors to 28% — way below the statewide average of 63%.

Nationally, the rate ranges from 32% to 92% in states where sales to minors have been studied.

Halting such sales is a top priority among anti-smoking activists. But it's also the one topic on which anti-smokers and the tobacco industry at least partly agree.

A poll out today by the Robert Wood Johnson Foundation finds many share the concern:

▶ 68% of U.S. adults think *minors have easy access to cigarettes and smokeless tobacco.*

▶ 94% think all tobacco sellers should check IDs.

▶ 55% support restricting tobacco sponsorship of sports and entertainment. (Margin of error: plus or minus 2.5%.)

"No one is calling for smoking to be banned or illegal, but we want to keep kids from smoking," says Dr. Michael Erisken, director of the federal Office on Smoking and Health.

The Tobacco Institute's Brennan Dawson says anti-smoking efforts have to start in the home: Unless kids are taught not to want cigarettes, they'll find a way to get them — just as they can get illegal drugs in many communities.

"Kids are remarkably resourceful," says Dawson, adding that retailers have an important role in cutting minors' access to tobacco. R.J. Reynolds, Philip Morris and the Tobacco Institute have programs to help merchants deal with underage customers.

The problem is getting individual retailers to take tobacco restrictions seriously. Few laws prohibiting sales to minors have teeth, says a recent report compiled by attorneys general of 25 states. They blame tobacco industry lobbying for weaker age restrictions and loopholes that "subvert" age restrictions in many states.

In Mesquite, police chief Murphy says getting his officers directly involved in the issue made the difference. Each of his eight patrol officers "adopted" stores where tobacco and liquor products are sold. They delivered:

▶ A set of materials to help store managers teach employees how to check IDs and refuse underage sales.

▶ Eye-catching signs to remind clerks and customers about the law.

▶ A message that the police take tobacco and liquor laws seriously.

"We didn't just drop the program on them," says Murphy. "We told them, 'We think this is an important issue and we're here to support them.'"

Some large chains also have taken steps that appear to make a difference. Food Lion and some Safeway stores have cash registers that lock up when a cashier scans a tobacco or other age-restricted product. It doesn't unlock until the cashier keys in the buyer's birth date.

Morrey Roberts, who owns Rio Liquor and Junior Market in Long Beach, Calif., says he sometimes has trouble convincing workers that age restrictions are important.

But Roberts, who started smoking as a teen, says he won't tolerate illegal sales and tells clerks they'll be fired on the spot for selling beer or cigarettes to a minor. He's only had to do that once.

His main tool for ensuring compliance: constant supervision. "I'm here all the time."

Such direct involvement is the key, Murphy says. If community groups work with local merchants on the issue, fewer children would smoke or drink. Says Murphy: People need to "invest their time in their neighborhoods."



By Robert Hanashiro, USA TODAY

NO BUTTS ABOUT IT: Long Beach, Calif., merchant Morrey Roberts, who lets workers know he'll fire them on the spot for selling alcohol or cigarettes to minors, says constant supervision is the key.

Strategies to stop underage purchases

Health experts say tobacco companies entice youth with images of healthy smokers and cartoon characters, T-shirts and other promotions appealing to young people and sponsorship of sporting events.

Cigarette makers insist their promotions and advertising don't prompt teens to choose tobacco and the responsibility for keeping kids from smoking rests with parents.

Whatever the cause, the fact is that most smokers in the USA start smoking or chewing tobacco well before they turn 18, the minimum legal age.

A report by attorneys general of 25 states on ways to reduce sales to minors makes recommendations including:

▶ Using "secret shoppers" to monitor store clerks and rewarding those who refuse to sell to a minor.

▶ Expanding use of scanner locks so that cashiers check IDs.

▶ Making store managers liable for compliance with age restrictions.

▶ Limiting displays of tobacco products and promotional materials.

▶ Requiring ID checks for tobacco sales.

▶ Establishing a licensing system that would provide incentives for stores to restrict underage sales and would fund enforcement programs.

▶ Redesigning driver's licenses so merchants can quickly identify those under age.

R.J. Reynolds Tobacco Co. spokeswoman Peggy Carter says her company concurs with some of what the attorneys general say — and thinks scanner locks and reward programs are "terrific." However, Reynolds opposes tightening up tobacco sales restrictions that make it harder for adults to buy tobacco products.

"Unfortunately, we as a society seem to have moved to legislation and regulation to protect children at the expense of adults," Carter says.

The tobacco firm particularly disagrees with moves to restrict in-store displays of cigarettes and promotional material or to ban all cigarette vending machines.

Wash. Post; 2-2-95

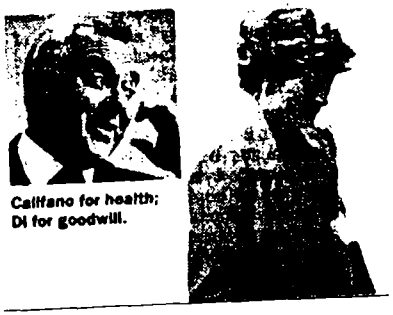
WE'VE HEARD THAT...

■ Look for Arlington native **Elisa Pensler Gabrielli** in the upcoming flick "The Brady Bunch." Gabrielli, 29, who graduated from Catholic University's Hartke Theatre in the mid-'80s, plays a Hispanic schoolteacher. "She wears a red wig," reveals proud Mom June Pensler of Springfield. Elisa also played a mobster's widow in "Naked Gun 33."

■ A PR exec for New York's Harlem Hospital was canned this week after superiors learned from the evening news that, unbeknown to them, **Princess Diana** had visited their hospital's AIDS ward earlier in the day. On Monday the princess will travel to Japan, where she is immensely popular. She'll make a round of high-profile appearances at hospitals and the like, and may even visit the earthquake-ravaged Kobe area.

■ **Lara Bergthold** has been named executive director of the Hollywood Women's Political Committee, replacing **Marge Tabankin**, a fund-raising legend who's now running **Steven Spielberg's** philanthropic foundation. Bergthold, 27, was HWPC's political director, and before that got her master's degree in public policy at Harvard University's Kennedy School of Government.

■ **Joe Califano**, secretary of health, education and welfare in the Carter administration, will be in town tomorrow to talk up his new tome, "Radical Surgery: What's Next for America's Health Care," at a book party at Politics & Prose. Califano, now chairman of the Center on Addiction and Substance Abuse at Columbia University, argues that Americans need to shift their focus from treating illness to promoting healthy lifestyles and disease prevention.



Califano for health; DI for goodwill.

Wash. Times; 2-2-95

Social Security issue in debate on balanced budget

Both factions court vote-switchers

By Steve Langdon
CONGRESSIONAL QUARTERLY

As the Senate slogs into what is likely to be a prolonged debate over the balanced-budget amendment, pressure is mounting on a dozen or so potential vote-switchers.

Oddsmakers give supporters of the amendment a slight edge, noting that the 11 freshman Republicans are expected to vote for the amendment. Only seven of the senators they replaced did so last year, when the amendment fell four votes short of the two-thirds margin required, 63-37.

Amendment advocates also have picked up the support of Sen. Nancy Kassebaum of Kansas, one of the three Republicans who voted against the amendment last year.

If all other senators voted the way they did last year, the amendment would prevail with 68 votes.

But some senators who voted "yes" last year are hedging now.

"I'd be hard-pressed to vote for it if we don't" know how the budget would be balanced, says Democratic Whip Wendell Ford of Kentucky, who backed the measure in 1986 and 1994.

Sen. Dianne Feinstein, California Democrat, another "yes" vote in 1994, announced Tuesday that she'd oppose the amendment this year unless a clause to protect Social Security trust funds is adopted. "If Social Security is left in, I cannot vote for it," she said "That is my bottom line."

Mr. Ford echoed the same point. "I'm not about to vote for an amendment that would denigrate" Social Security, he said.

Because Republicans thus far have refused to accept a Social Security exemption, the Democratic switches suggest that the fragile two-thirds support for the amendment in the Senate could be crumbling.

Mrs. Feinstein's announcement, in paricular, is a coup for the chief amendment opponent, senior Senate Democrat Robert C. Byrd of West Virginia. He needs 34 votes to block the measure, which passed the House last week.

Mrs. Feinstein and Mr. Ford spoke at a news conference called by senators who want an amendment that would remove the Social Security trust funds from annual deficit calculations, effectively taking them "off budget." It also would prevent Congress from using the current surpluses in the funds to obscure the actual size of the federal deficit.

Other Democratic senators who attended and say they're undecided are Sens. Byron L. Dorgan and Kent Conrad of North Dakota, and Harry Reid of Nevada. Sen. Howell Heflin, Alabama Democrat, who says he supports the underlying amendment, also was there.

Sen. Jeff Bingaman, New Mexico Democrat, re-elected on Nov. 8, is another potential switcher. He voted for the amendment twice before but says he's concerned about the rules change in the House that requires a super-majority vote to pass tax increases.

Sen. Jim Exon of Nebraska, ranking Democrat on the Senate Budget Committee, isn't showing his cards, either, although he voted "yes" in 1986 and 1994. Along with Senate Democratic leader Tom Daschle of South Dakota, a "yes" vote last year who appears ready to switch this time, Mr. Exon is trying to get Republicans to spell out how they'd balance the budget before he agrees to vote for the amendment again.

Amendment supporters, meanwhile, are targeting several Democrats who voted against the measure last year but face tough re-election campaigns in 1996 in conservative-leaning states.

Chief among them is Sen. Max Baucus, Montana Democrat, an amendment opponent in 1986 and 1994 who expects a tough 1996 re-election contest. "I'm fluid," he says.

Sen. Tom Harkin, Iowa Democrat, says he remains opposed to the amendment unless Social Security is protected. Sen. Jim Jeffords, Vermont Republican, on the other hand, says he still favors the measure — provided he can determine for himself that a balanced-budget is achievable within the amendment's time frame.

Other senators who bear watching, and the votes they cast in 1994: Joe Biden, Delaware Democrat (no); John Breaux, Louisiana Democrat (yes); Kent Conrad, North Dakota Democrat (no); John Kerry, Massachusetts Democrat (no); Barbara Mikulski, Maryland Democrat (no); Sam Nunn, Georgia Democrat (yes); Harry Reid, Nevada Democrat (no).

• *Distributed by Scripps Howard*

BALANCED BUDGET LINEUP

Senators were asked whether they would support the balanced-budget amendment to the Constitution as introduced, without modification. "Y" and "N" show how senators then in office voted on an identical amendment in 1986 and 1994.)

	1986 vote	1994 vote
Support: 59 (50 Republicans, 9 Democrats)		
Abraham, Spencer, R-Mich	—	—
Ashcroft, John, R-Mo.	—	—
Bennett, Robert F., R-Utah	—	Y
Bond, Christopher S., R-Mo.	—	Y
Brown, Hank, R-Colo.	—	Y
Bryan, Richard H., D-Nev.	—	Y
Burns, Conrad, R-Mont.	—	Y
Campbell, Ben Nighthorse, D-Colo.	—	Y
Chafee, John H., R-R.I.	N	Y
Coats, Daniel R., R-Ind.	—	Y
Cochran, Thad, R-Miss.	Y	Y
Cohen, William S., R-Maine	N	Y
Coverdell, Paul, R-Ga.	—	Y
Craig, Larry E., R-Idaho	—	Y
D'Amato, Alfonse M., R-N.Y.	Y	Y
DeWine, Mike, R-Ohio	—	—
Dole, Bob, R-Kan.	Y	Y
Domenici, Pete V., R-N.M.	Y	Y
Faircloth, Lauch, R-N.C.	—	Y
Frist, Bill, R-Tenn.	—	—
Gorton, Slade, R-Wash.	N	Y
Graham, Bob, D-Fla.	—	Y
Gramm, Phil, R-Texas	Y	Y
Grams, Rod, R-Minn.	—	—
Grassley, Charles E., R-Iowa	Y	Y
Gregg, Judd, R-N.H.	—	Y
Hatch, Orrin G., R-Utah	Y	Y
Heflin, Howell, D-Ala.	Y	Y
Helms, Jesse, R-N.C.	Y	Y
Hollings, Ernest F., D-S.C.	Y	Y
Hutchison, Kay Bailey, R-Texas	—	Y
Inhofe, James M., R-Okla.	—	—
Kassebaum, Nancy Landon, R-Kan.	N	N
Kempthorne, Dirk, R-Idaho	—	Y
Kohl, Herb, D-Wis.	—	Y
Kyl, Jon, R-Ariz.	—	—
Lott, Trent, R-Miss	—	Y
Lugar, Richard G., R-Ind.	Y	Y
Mack, Connie, R-Fla.	—	Y
McCain, John, R-Ariz	—	Y
McConnell, Mitch, R-Ky.	Y	Y
Moseley-Braun, Carol, D-Ill	—	Y
Murkowski, Frank H., R-Alaska	Y	Y
Nicles, Don, R-Okla.	Y	Y
Pakwood, Bob, R-Ore.	Y	Y
Pressler, Larry, R-S.D.	Y	Y
Robb, Charles S., D-Va.	—	Y
Roth, William V. Jr., R-Del.	Y	Y
Santorum, Rick, R-Pa.	—	—
Shelby, Richard C., R-Ala.	—	Y
Simon, Paul, D-Ill	Y	Y
Simpson, Alan K., R-Wyo.	Y	Y
Smith, Robert C., R-N.H.	—	Y
Snowe, Olympia J., R-Maine	—	—
Specter, Arlen, R-Pa.	Y	Y
Thomas, Craig, R-Wyo.	—	—
Thompson, Fred, R-Tenn	—	—
Thurmond, Strom, R-S.C.	Y	Y
Warner, John W., R-Va.	Y	Y
Oppose: 25 (2 Republicans, 23 Democrats)		
Akaka, Daniel K., D-Hawaii	—	N
Boxer, Barbara, D-Calif.	—	N
Bradley, Bill, D-N.J.	N	N
Bumpers, Dale, D-Ark.	N	N
Byrd, Robert C., D-W.Va.	N	N
Dodd, Christopher J., D-Conn.	N	N
Feingold, Russell D., D-Wis.	—	N
Feinstein, Dianne, D-Calif.	—	Y
Harkin, Tom, D-Iowa	Y	N
Hatfield, Mark O., R-Ore.	N	N
Inouye, Daniel K., D-Hawaii	N	N
Johnston, J. Bennett, D-La.	Y	N
Kennedy, Edward M., D-Mass.	N	N
Kerrey, Bob, D-Neb.	—	N
Lautenberg, Frank R., D-N.J	N	N
Leahy, Patrick J., D-Vt.	N	N
Levin, Carl, D-Mich	N	N
Lieberman, Joseph I., D-Conn	—	N
Moynihan, Daniel Patrick, D-N.Y.	N	N
Murray, Patty, D-Wash	—	N
Pryor, David, D-Ark	Y	N
Rockefeller, John D. IV, D-W.Va.	N	N
Sarbanes, Paul S., D-Md.	N	N
Stevens, Ted, R-Alaska	Y	N
Wellstone, Paul, D-Minn.	—	N
Undeclared: 16 (1 Republican, 15 Democrats)		
Baucus, Max, D-Mont.	N	N
Biden, Joseph R., Jr., D-Del.	N	N
Bingaman, Jeff, D-N.M.	Y	Y
Breaux, John B., D-La.	—	Y
Conrad, Kent, D-N.D	—	N
Daschle, Tom, D-S.D	—	Y
Dorgan, Byron L., D-N.D.	—	Y
Exon, Jim, D-Neb.	Y	Y
Ford, Wendell H., D-Ky	Y	Y
Glenn, John, D-Ohio	N	N
Jeffords, James M., R-Vt.	—	Y
Kerry, John, D-Mass	N	N
Mikulski, Barbara A., D-Md	—	N
Nunn, Sam, D-Ga	Y	Y
Pell, Claiborne, D-R.I.	Y	N
Reid, Harry, D-Nev	—	N

Source: Congressional Quarterly

The Washington Times

N.Y. Times; 2-2-95 p. 1-

House Passes Bill Restricting U.S. Mandates

By JOHN H. CUSHMAN Jr.
Special to The New York Times

WASHINGTON, Feb. 1 — The House of Representatives brought a prolonged debate to its foregone conclusion today and overwhelmingly passed legislation making it harder for Congress to impose new requirements on the states and cities without providing Federal money to pay for them.

The legislation, which passed the Senate in similar form last week and has President Clinton's endorsement, is the first major step in what the new Republican majority in Congress is promising will be a steady shift of power from Washington back to the local governments.

"This is really the first debate we have had on the New Federalism," said Representative William F. Clinger, Republican of Pennsylvania, as the debate drew to a close. It had consumed most of three weeks, including several nights when the House worked past midnight as Republicans fought off Democratic amendments. The bill was finally passed in a bipartisan vote of 360 to 74.

It was the second piece of the Republicans' campaign manifesto, the Contract With America, to have been approved by both chambers of Congress, each winning bipartisan support. President Clinton has already signed the first, which eliminated Congress's exemption from 11 Federal labor laws.

But the third such proposal to pass the House, which would amend the Constitution to require a balanced Federal budget, is far from the day of decision in the Senate, where de-

Cont'd on next page

House Passes Curbs on Costly Federal Rules

from previous page

bate continued inconclusively today.

In the House today, Democrats argued until the very end that the bill limiting what are known as "unfunded mandates" was misguided, and that it would result in loosening environmental and other protections. But more than 60 members of their own party consistently sided with the Republicans, and in the end most Democrats voted for the bill, which is widely popular among governors and mayors.

Representative Cardiss Collins, Democrat of Illinois, said the Republicans' consistent refusal to exempt environmental and other laws from the new restrictions "reveals a mean-spirited effort to abandon those who are most in need."

In fact, the measure does not prohibit the Federal Government from imposing new requirements on states and cities. But it does require Congress to study the costs of most such laws, and to find ways to pay those costs — or to decide in a separate vote to waive that requirement.

Although there are a few minor differences between what the House passed today and what the Senate passed last week, they are expected to be easily resolved and the bill will then go to President Clinton. It will not take effect until later this year, and does not reverse any mandates imposed on the states by past legislation.

But it is likely to be felt right away by Congressional committees that are only now beginning to work on substantive legislation on pollution and other issues. They will be discouraged from drafting anything that contains unfinanced requirements, since by the time these bills come to the floor late this year there will be new procedural barriers to proposing them.

Representative Dick Armey of Texas, the House majority leader, said the action on the three pieces of the Contract With America "shows that we are on schedule," even though debate on the bill on unfinanced requirements took longer than Republican leaders had expected.

"In order to make big changes, you have to work hard," Mr. Armey said. Republican leaders have promised to vote on the entire 10-point manifesto in the first 100 days of the new Congress.

On Thursday, the House plans to take up the next part of the program: a measure giving the President the right to selectively veto individual programs established by Congress without having to veto entire bills.

Several other bills backed by Republicans are working their way through committees.

In the Senate, a Judiciary subcommittee approved a proposed constitutional amendment to impose term limits on members of Congress. Senators would be barred from serving more than two full six-year terms and House members would be barred from serving more than six full two-year terms.

In the House, meanwhile, the Judiciary Committee approved a bill to provide states with $10.5 billion for prison construction — $2.5 billion more than in last year's crime bill. Half the money would go to states that do not release violent criminals from prison before they have served at least 85 percent of the imposed sentences. The other half would go to states that have increased the imprisonment of violent criminals.

As the Senate debated the proposed Constitutional amendment on a balanced budget, with Democrats calling for a detailed explanation of how that would be achieved, a House committee examined tax cuts favored by Republicans.

The House Ways and Means Committee issued a new estimate showing that the tax provisions of the Contract With America would reduce Government revenue by $196.3 billion over the next five years. The projection, prepared by the staff of the Joint Congressional Committee on Taxation, is similar to one published last fall by the Republican staff of the House Budget Committee.

The most costly item, the new figures showed, would be the proposal for a $500-per-child tax credit, which would lose $117.5 billion in revenue over the period. Various reductions proposed in capital gains taxes would lose $48.7 billion. The capital gains estimate was made in the traditional fashion rather than under a new method favored by some Republicans that would take account of what they think would be overall economic improvement resulting from a lower capital gains tax.

Representative Bill Archer, the Texas Republican who is chairman of the Ways and Means Committee, promised that all tax reductions would be offset by reduced spending, but he did not identify what spending cuts he was talking about.

FOR EXAMPLE

Burdens on States and Cities

The Advisory Commission on Intergovernmental Relations, a bipartisan body created by Congress in 1959 to monitor Federal-state relations, says there is no way to calculate exactly what costs the Government has pushed on to states and localities. But the Congressional Budget Office estimates that the cumulative cost of Federal regulations whose costs were borne by localities from 1983 to 1990 was $8.9 billion to $12.7 billion.

Here are some examples of such "unfunded mandates." The new legislation that has passed the Senate and the House would apply only to new laws and does not change the obligations of state and local governments under existing requirements.

- **FAMILY AND MEDICAL LEAVE ACT OF 1991** Requires employers to provide family and medical leave to their employees. As employers, state and local governments are responsible for any costs associated with providing the leave.
- **HANDGUN VIOLENCE PROTECTION ACT OF 1993 (BRADY BILL)** Requires a five business-day waiting period and background check before a person can buy a handgun. Costs are incurred by the tracking, checking and record-keeping requirements.
- **NATIONAL VOTER REGISTRATION ACT OF 1993** Directs states to implement a variety of programs to make it easier to register voters. States are required to allow mail-in registration and to provide registration forms at a variety of state offices, including motor vehicle offices and welfare offices.
- **ASBESTOS HAZARD EMERGENCY RESPONSE ACT OF 1986** Requires local school systems to inspect for and remove hazardous asbestos materials from school buildings.
- **SAFE DRINKING WATER ACT AMENDMENTS OF 1986** Sets standards and timetables for removing contaminants from tap water; requires states to monitor their groundwater supplies, and tightens enforcement and penalties for water systems that do not comply.
- **CLEAN AIR ACT AMENDMENTS OF 1990** Imposes strict deadlines and requirements dealing with urban smog, municipal incinerators and toxic emissions.

Arizona Republic; 1-23-95

Arizona seniors battle 'earnings test'

Retirement-work limits 'a dastardly thing'

By Jeff Barker
The Arizona Republic

WASHINGTON — At 72, Earle Dennis says, the damage to him has already been done.

The government took more than $10,000 of his Social Security benefits because he was called back to work as a satellite-systems engineer after he had retired at the age of 63.

The Scottsdale man, who has since retired for good, has no hope of recapturing the lost benefits. But he is determined to make sure that other senior citizens are not penalized for remaining in the work force.

"This is a dastardly thing," Dennis said in an interview Friday. "It's not fair to hold back peoples' earnings if they've got work."

Dennis is among hundreds of Arizonans fighting to end the so-called "earnings test," which is designed to ensure that seniors who are not retired don't get the same benefits as those who are.

For years, the test has been upheld by a budget-conscious Congress concerned about the multimillion-dollar cost of paying additional retirement benefits to hundreds of thousands of seniors.

— See SENIORS, *page B6*



Earle Dennis / "The point is that I paid for my Social Security. I went to work and made some extra money to get a head start on my retirement, and they took it away from me."

But this year, the test is in serious jeopardy. Liberalizing the test is part of the Republicans' "Contract With America," which was signed by 367 House candidates Sept. 27.

As with other items in the contract, a vote on the earnings test has been promised by early spring.

About 925,000 people now lose some or all of their Social Security benefits as a result of the earnings rule, which applies at age 65.

Currently, people in the 65-69 age group have their benefits reduced if they make more than $11,280 per year. Under the system, they lose one dollar for every three dollars earned above the annual limit.

Workers in the 62-64 group lose $1 in benefits for every $2 earned over the limit of $8,160.

Proponents of modifying the earnings limit believe it unfairly penalizes seniors who have paid into the system for all of their working lives.

"The point is that I paid for my Social Security," Dennis said. "I went to work and made some extra money to get a head start on my retirement, and they took it away from me."

House Republican leaders are trying to hold President Clinton to a pledge he made in a campaign document during the 1992 election.

The document said the government should "lift the Social Security earnings-test limitation." Administration officials have since said that "lift" did not necessarily mean "eliminate."

Last week, Social Security Commissioner Shirley Chater endorsed "a moderate increase" in the earnings limit. But she stopped short of supporting the Republican plan.

The Republicans have proposed gradually raising the earnings test to $30,000 by 2000. The Contract With America says that "if the president is sincere, he will join our effort to ease this burden on seniors."

Chater told the House Ways and Means Committee that low-income seniors would receive very little benefit from the GOP proposal. As much as 65 percent of the additional benefits under the GOP plan, the Social Security Administration has estimated, would go to families with annual income above $46,000.

Chater said the proposal would cost $7 billion over the first five years.

But Republicans say the Democrats ignore the additional tax revenues that would be raised by encouraging more seniors to enter the work force.

"You take those earnings limitations off, it means more revenue to the treasury," said Rep. Bob Stump, R-Ariz., the senior member of the state's congressional delegation. "We're talking about productive citizens here."

N.Y. Times; 2-2-95

Battling the Contract, Gephardt Offers a Code

By JERRY GRAY
Special to The New York Times

WASHINGTON, Feb. 1 — Searching for a political counterweight to the Republicans' Contract With America, the House minority leader today unveiled a new economic strategy for his party: what he called a Best Practices Code of Conduct for American business, an approach that focuses on promoting the well-being of middle-income workers.

"For Democrats, the single, simple, fundamental task of our party — in this Congress, in this decade, in this generation — is to fight for the standard of living of working families and the middle class," the Democratic leader, Representative Richard A. Gephardt of Missouri, said in a speech to the Economic Policy Institute, a liberal group of economic policy experts. "Everything else is secondary to that goal."

Mr. Gephardt and other House Democrats promoted his speech today as the opening salvo in their efforts to regain control of Congress and win back support of the voters. But there appeared to be another purpose as well: to demonstrate to the White House, which received no advance notice of the talk, that Congressional Democrats were prepared to reach out to the electorate on their own rather than invariably follow the Administration's lead.

Mr. Gephardt's message was short on details, which he promised would be laid out in the coming weeks and months, but long on criticism of the Republicans and their Contract, which he called "a nice academic exercise" but "irrelevant."

"Republicans think it's better to just give the middle class a psychic punching bag," Mr Gephardt said, "to let them vent all their anger and frustration on government and politicians, to let them lash out at those who have the least and need the most, even if that does nothing to actually improve their lives."

At the heart of the new Democratic economic strategy is the championing of causes like a substantial increase in the minimum wage, now $4.25 an hour; a health care overhaul; a middle-class tax cut, and President Clinton's Middle Class Bill of Rights, which includes calls for expanded individual retirement arrangements and tax subsidies to help Americans pay for education.

Mr. Gephardt called on American business to get behind the new Democratic program.

"We can't force the business community to put people first, even though it's right both morally and economically," he said. "But we can condition any tax break to business on the adoption of the Best Practices Code of Conduct — not just in America, but wherever our companies do business. We can condition the adoption of every single trade agreement on the nation's adoption of the Code of Conduct, or a similar commitment to their working people."



David Scull/The New York Times

Richard A. Gephardt, House minority leader, offering a new Democratic economic strategy in a speech to the Economic Policy Institute.

House Democrats begin pitching to the middle class.

At another point, Mr. Gephardt said he would propose legislation to create "a brand-new class of stock that can be issued by companies that follow the Code of Conduct, so that individual investors can build a Best Practices portfolio so that they have a way to get involved, to help build a stronger economy for all of us."

As with most of the ideas he advanced in his speech, Mr. Gephardt did not elaborate on this one. And his spokeswoman, Laura Nichols, said later that she was not sufficiently familiar with it to answer questions.

Mr Gephardt's talk had the flavor more of a stump speech than of a party policy statement.

"For several years now," he said at one point, "I've traveled this country meeting with the C.E.O.'s and managers, the programmers and line workers, the salespeople and secretaries, who are making these companies succeed when so many others are falling behind."

Some of the 100 people in attendance seized on references like that one. Indeed, a brief question-and-answer session after the speech produced an awkward moment for the Congressional leader when one person in the audience asked, "Shouldn't you be running for President?"

"I'm happy to be minority leader and hoping to be the majority leader or Speaker," replied Mr. Gephardt, who has sometimes been mentioned as a possible rival to Mr. Clinton for the 1996 Democratic Presidential nomination.

Mr. Gephardt's spokeswoman, Ms. Nichols, said that the Code of Conduct was a Congressional initiative and was drawn up without help from the Clinton Administration. But she said it paralleled the President's New Covenant.

Ms. Nichols said Mr. Gephardt had scheduled a series of speeches across the country over the next few months to promote the new economic strategy and to try to stir grassroots support before introducing any legislation in the House.

A White House spokeswoman said that the Administration had had no advance knowledge of Mr. Gephardt's new initiative but that his efforts were welcome.

"As he talked about in the State of the Union, the President thinks that the American public has sent a message that they expect more of their Government," said the spokeswoman, Ginny Terzano. "I think what Congressman Gephardt addressed today is much of the same issues."

Wash. Post; 2-2-95

5 Years of GOP Tax Cuts Total $196 Billion

Ways and Means Chairman Renews Commitment to Make Offsetting Spending Decreases

By Eric Pianin A4
Washington Post Staff Writer

The Joint Committee on Taxation, the official scorer of congressional tax initiatives, said yesterday that the House Republican "Contract With America" tax proposals—including a $500-per-child tax credit and a major capital gains provision—would cost $196.3 billion over five years.

Taken together with another proposal to increase the limitation on the earnings of Social Security recipients, the contract tax provisions would drain the Treasury of $203.9 billion over five years, or roughly the amount previously projected by Republican advocates.

House Ways and Means Committee Chairman Bill Archer (R-Tex.), who released the estimates, renewed the Republican pledge to finance its major tax relief package with offsetting cuts in the budget.

"These numbers underscore the need for the federal government to cut spending in order to bring tax relief to the American people," Archer said. "And we will do that—we will cut spending. . . . As we move forward to bring tax relief to the American people, we will take no action that increases the size of the deficit."

However, Democratic critics complained that the five-year revenue estimates masked the exploding long-term cost of many of the tax proposals, especially the 50 percent reduction in the capital gains tax and generous write-off provisions for corporations and businesses. According to January Treasury Department estimates, the contract proposals would cost $725 billion over 10 years.

"These tax cuts really begin to bite as you go into the out years," said Rep. Sam Gibbons (D-Fla.), the ranking Democrat on the Ways and Means Committee. "I don't blame the Republicans for not wanting to talk about the out years."

A recent study by the liberal Center on Budget and Policy Priorities concluded that the revenue losses from the Republican tax cuts would have "profound ramifications" for future budget policy. According to the study, about 30 percent of federal expenditures in areas other than Social Security and defense would have to be eliminated to offset the tax cuts and meet balanced budget requirements.

Archer has promised to scale back some of the proposals, particularly the business tax write-off provisions, to hold down the long-term costs. However, he is scheduled to formally introduce the bulk of the contract's tax proposals in March. A Ways and Means Committee spokesman dismissed the Democratic complaints as politically inspired and defended the use of five-year projections as customary practice.

"Numbers beyond that are wild guesses," he said. "You might as well throw a dart at a dart board. . . . It's becoming increasingly hard for the Democrats to criticize the Republicans on the things they know they're doing. Their new tack is to criticize them for the unknown."

According to the Joint Tax Committee's five-year estimates, the family tax credit would cost a total of $117.5 billion and a marriage tax relief provision would cost $8.2 billion, while a new individual retirement account would cost $2.2 billion. The 50 percent reduction in capital gains taxes on individuals and corporations, indexed for inflation, and other capital gains measures would cost a total of $53.9 billion, the study showed.

The business write-off would cost $16.7 billion over five years, according to the study. However, the Treasury projected that the write-offs could cost as much as $120 billion over 10 years. Measures to benefit senior citizens, including a repeal of the 1993 tax increase on Social Security benefits, would cost $21.1 billion over five years.

THE FEDERAL DIARY

Wash. Post; 2-2-95

Buyout Surge Ahead

By Mike Causey
Washington Post Staff Writer

President Clinton's promise to cut 125,000 employees from the work force by January—two years ahead of schedule—means more buyouts for more employees in more agencies between now and March 31.

Before the president advanced the downsizing date, officials expected between 20,000 and 30,000 buyouts during the next eight weeks. That number will go higher and easily could double.

Unless plans change, that will be the last call for federal employees outside the Defense Department to take buyouts. It will be the last time those agencies can use the buyout tool (a maximum $25,000 payment to retire) to thin the ranks of workers over age 50 and save the jobs of younger workers.

The buyout picture changed last week when the president made his State of the Union Address to Congress. Previously, the administration was on a five-year timetable to cut 252,000 jobs. From January 1993 through October 1993, the federal payroll dropped by 127,000 employees. Officials say those were people, not just slots.

Advancing downsizing to January 1996 means 124,000 workers must leave the payroll during the next 11 months. That's what makes the fast-closing buyout window critical.

The president's speech promised that all the cuts would be made by January 1996. That came as a surprise to officials managing the downsizing program. Now they must make it work.

During the first phase of downsizing, buyouts lured retirement-age workers to leave, and normal attrition—mostly among lower-paid clerical workers—saved thousands of younger, nonveterans from layoffs.

About 240,000 federal workers could take early retirement now. Agencies can offer early-outs to employees 50 years old with 20 years' service or anyone with 25 years' service. The annuity is reduced 2 percent for each year the retiree is younger than age 55, which is why few people take early retirement without a buyout sweetener.

If buyouts, early retirements and normal job turnover don't do the trick, agencies will have to resort to layoffs to meet the January 1996 deadline.

Buyouts are less disruptive—and often less costly—than the layoff process. During layoffs, senior employees can bump down and displace younger workers. They keep their higher-grade salaries while performing lower-level chores. The younger workers leave and can collect severance pay (up to a year's salary in some cases) and/or unemployment benefits.

Management Gag Rule

Rep. Frank R. Wolf (R-Va.) has introduced legislation that would allow officials and members of nonunion organizations representing executives, managers, law enforcement personnel, women and minorities to talk with agency management about association business.

The Justice Department recently dusted off an old ruling making it illegal for federal employees to represent the view of their peers or associations to management. That ban doesn't cover unions with bargaining rights, something that upset the nonunion associations.

Although it is unlikely that anybody is going to be fined or jailed for making an association pitch to management, Wolf said the law needs a technical correction to straighten out the issue before it becomes a federal case.

Japan Fellowships

The Mansfield Center for Pacific Affairs is accepting applications for its fellowship program named after Mike Mansfield, former ambassador to Japan and one-time Senate majority leader from Montana.

The two-year fellowships include intensive language training and area studies, plus job placement in Japanese ministries, parliament or government agencies.

Deadline for applications is April 1. Call 202-667-1660.

L.A. Times; 2-2-95

Combined AIDS Drug Therapy Shows Promise

By MARLENE CIMONS
TIMES STAFF WRITER

WASHINGTON—A new experimental antiviral drug called 3TC, taken in combination with the commonly used drug AZT, decreased AIDS infection and appeared to improve the immune systems of patients better than either drug used alone, according to new studies presented Wednesday.

The findings represented the second piece of encouraging news in AIDS therapy in as many days and further bolstered the opinion of most researchers that combinations of powerful drugs are the best hope for controlling the disease.

Researchers presented data Tuesday showing that another class of drugs, protease inhibitors, produced similar results. The research was released at the Second National Conference [on] Human Retroviruses and Related Infections, a five-day scientific meeting here devoted almost entirely to AIDS.

"The combination of AZT and 3TC is promising," said Dr. John Bartlett of Duke University Medical Center, which conducted one of the studies. "We who treat patients infected with HIV believe that combining different therapeutics offers the potential for more treatment successes."

Researchers studying the 3TC/AZT combination found marked decreases in virus levels in patients' blood and significant increases in CD4 lymphocytes, the essential disease-fighting immune system cells that are the major target of the human immunodeficiency virus.

These results persisted for at least six months, and longer in many patients, researchers said.

But the scientists stressed that it is too soon to know whether the results would translate into prolonged survival or fewer infections. Additional studies are planned to try to answer that question.

"We have not proven that patients will live longer, but we hope that a decrease in the virus will correlate with a decrease in symptoms," said Dr. Joseph Eron, who conducted a study at the University of North Carolina at Chapel Hill School of Medicine.

Other developments at the meeting included a progress report on AIDS vaccine development and a summation of a five-year pilot program of HIV-screening of pregnant women in Los Angeles County, begun by the Department of Health and Human Services in 1989.

Sixty-five percent of the women found infected had no identified risks for HIV infection, a finding that should strengthen the idea of offering the test to all pregnant women, not just those who engage in high-risk behavior, investigators said.

This is especially important in light of recent studies which showed that AZT given to pregnant infected women caused a sharp reduction in transmission of the virus to their babies, they said. Federal health officials are expected to release guidelines on this issue in coming weeks.

In the vaccine arena, researchers reported no new breakthroughs but said that they continue to be optimistic about the prospects that a vaccine will be developed.

"Getting a vaccine for AIDS is possible," said Margaret I. Johnson, acting deputy director of the AIDS division of the National Institute of Allergy and Infectious Diseases. However, she said, "it's going to be very difficult."

Most of the attention Wednesday, however, was on reports about 3TC, also known as lamivudine. The drug, one of a family of drugs known as nucleoside analogs—which also include AZT, DDC and DDI—is made by Glaxo Holdings Inc.

The company said that it intends to seek Food and Drug Administration approval of 3TC before this summer. Currently, the company is providing the drug to about 10,000 AIDS patients worldwide under a special program.

N.Y. Times; 2-2-95

Progress Cited In Drug Blend To Fight AIDS

New Mixture Seems A Better Suppressant

By LAWRENCE K. ALTMAN
Special to The New York Times

WASHINGTON, Feb. 2 — A new combination of AIDS drugs seems to suppress the AIDS virus more effectively and for longer than existing combinations of drugs, preliminary results of four American and European studies show.

Although experts expressed guarded optimism, they cautioned about making too much of the findings, which were reported at a meeting of the American Society for Microbiology here today. The experts said that additional studies of the drug combination were needed to determine whether those who took it actually lived longer.

AZT, which was the first licensed drug against H.I.V., the virus that causes AIDS, when used in combination with an experimental drug known as 3TC or lamivudine also raises levels critical immune cells in the blood, known as CD4, for six months or more. Both drugs work by interrupting a key step in the life cycle of H.I.V.

The four studies were conducted independently and the results were consistent in showing a synergistic effect when the two drugs were combined. The studies showed that the combination had a larger and longer effect on the laboratory tests than either drug alone or the combination of AZT and ddC, a federally approved combination.

The studies involved several hundred individuals, some of whom had taken AZT previously, others who were taking it for the first time in the new studies.

But the studies were not designed to evaluate the effect of the drugs on progression of H.I.V. infection to AIDS and death.

"The results are encouraging and we should now proceed to the next step, which is to conduct studies that measure the ability of the drugs to decrease the number and severity of AIDS-related infections and prolong life," said Dr. Robert T. Schooley, head of infectious diseases at the University of Colorado in Denver. Dr. Schooley headed the program committee of this week's meeting.

Dr. Clive Loveday of the University College London Medical School who did the virologic tests for one of the European studies said that the drop in amount of H.I.V. in the blood produced by the new combination and the sustained effect for several months was promising — "a breath of fresh air," as he put it, in AIDS therapy.

Nevertheless, Dr. Loveday, Dr. Schooley and other experts at the meeting said that many questions remained about when to begin prescribing the drug combination for individuals infected with H.I.V., for how long the effect would last and how the AZT and 3TC combination compares with other drug combinations.

Experts speaking at panels at the meeting have said they hoped that other experimental drugs belonging to a class known as protease inhibitors would be added to AZT and other drugs in further experimental studies to test whether larger combinations of anti-H.I.V. drugs would improve effectiveness of AIDS therapy.

It is not known precisely why the combination of AZT and 3TC is more effective than either drug alone. One theory points to the effect of mutations. H.I.V. is known to produce mutations quickly, one of which seems to make it resistant to 3TC. But that very mutation apparently counters other mutations that make H.I.V. resistant to AZT.

About 10,000 people infected with H.I.V. take 3TC under conditions approved by the Federal Food and Drug Administration. 3TC is provided by its maker, Glaxo.

Wall St. Jrnl.; 2-2-95

AIDS Drug 3TC Significantly Prolongs AZT's Effectiveness, U.S. Tests Confirm

By Michael Waldholz
And Christopher J. Chipello
Staff Reporters of The Wall Street Journal

A new AIDS drug, called 3TC, significantly prolonged the effectiveness of AZT when the two drugs were used in combination, according to new patient studies.

The new studies involving 618 patients treated at two U.S. medical centers confirm similar results announced in November by European investigators. The new data strongly reinforce evidence that the two drugs together fight off the virus for perhaps a year longer than AZT or any current treatment alone.

The new drug, which works somewhat like AZT, was developed by **Biochem Pharma** Inc., a Montreal drug maker. **Glaxo** PLC of London owns the rights to develop and market 3TC. In addition, Glaxo is seeking to acquire **Wellcome** PLC of London, which sells AZT.

Protease Inhibitors Show Promise

The new 3TC-AZT results were released at a weeklong scientific conference in Washington. At the meeting, several other research groups presented limited but promising results involving a family of experimental AIDS drugs called protease inhibitors. Early tests of some of these drugs, under development by four major drug makers and one biotechnology firm, suggest that they also may prove useful in temporarily suppressing the virus's activity when combined with AZT or the AZT-3TC combination.

Indeed, based on preliminary findings, the four drug makers – **Merck** & Co., **Abbott Laboratories**, Wellcome's U.S. Burroughs Wellcome unit and **Roche Holding** Ltd. of Switzerland – and **Agouron Pharmaceuticals** Inc., a small closely held biotech firm, are racing to develop their version of a protease drug.

"The strongest message I take away is that combinations of several drugs appear to be our best hope right now for improved treatment," said Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases. He and others concede there's no evidence yet that any of the new drugs, combined or alone, show long-term effectiveness.

Tenacity of HIV

The newest data come on the heels of research two weeks ago showing why HIV, the virus that causes AIDS, is such a tenacious opponent, and why no drug alone seems able to combat it for very long. The research showed that someone infected by HIV produces a billion particles of the virus daily, much more than anyone previously believed. The body's immune system fends off many of these particles, but over time it's overwhelmed.

David Ho, one of the researchers who uncovered evidence of HIV's multiplying power, said none of the drugs in tests can eradicate the virus in a patient. Dr. Ho, who directs the Aaron Diamond AIDS Research Center in New York, said that's because even small amounts are capable of eventually producing mutants that can resist the drugs.

"Resistance continues to be the issue," Dr. Ho said. He said his tests involving Abbott's protease candidate show that "the protease drugs are the most potent drugs yet discovered," wiping out 99% of the virus present in many patients tested.

"But it looks as if this class of drugs eventually run into resistance, too, when used alone," Dr. Ho said. "The excitement at the meeting this week is that we now have an increasing array of drugs we can try in combination. And the AZT-3TC results show combination therapy can produce improvements."

Dr. Ho noted that AZT runs into resistance within a few months; the AZT-3TC studies suggest resistance may not show up for as much as a year.

The 3TC-AZT tests measured the drugs' effectiveness in reducing the virus in patients' blood. But they didn't provide direct evidence that the combination will reduce infections or enable patients to live longer. Moreover, the tests only followed patients for 24 weeks. A Glaxo spokeswoman said it will soon begin tests examining patient outcomes in children in the U.S. and in adults in Canada, Australia and Europe. Results may be a year off.

In separate studies, researchers showed that Abbott's protease drug used alone didn't encounter significant resistance after a 12-week test in a small number of patients. But tests of Merck's protease uncovered resistance in a handful of patients followed for a year, a Merck official said. Merck plans to test the drug in combination with AZT.

And in perhaps the most ambitious test planned, Roche has enrolled almost 4,000 patients in the U.S. and overseas in tests of its protease drug in combination with AZT. Results from Roche's tests are about two years off. Protease drugs being developed by Wellcome and Agouron have yet to enter human tests.

Wash. Times; 2-2-95

AIDS soars among crack users, barely registers in much of U.S.

ASSOCIATED PRESS

The AIDS epidemic is sweeping out of control among crack cocaine smokers in the country's poorest neighborhoods but is still barely perceptible across much of the nation, new data show.

Several reports presented this week at an AIDS meeting sponsored by the American Society for Microbiology demonstrate the vast differences in how the epidemic touches Americans' lives.

One study found that in New York City and Miami, 4 percent of crack cocaine users are becoming infected annually with HIV, the AIDS virus.

This infection rate is "among the highest ever reported in the United States," said Dr. Brian R. Edlin of the federal Centers for Disease Control and Prevention in Atlanta.

But outside hot spots of AIDS infection, mostly in big cities and the rural South, the situation could hardly be more different.

A new analysis, released Tuesday, showed that just six-hundredths of 1 percent of people applying for insurance are infected.

The study, conducted by the CDC's Dr. J. Todd Weber, was based on a review of blood samples sent to one lab that does AIDS testing for hundreds of insurance companies nationwide. The samples are provided by people applying for health, life and disability insurance.

Of nearly 1.5 million samples tested in 1991 and 1992, just 886 turned out to be infected with HIV. This low infection rate is similar to those seen among first-time blood donors and military recruits.

Among the tiny minority who were infected, HIV was most common in the District, Puerto Rico, Florida and New York state.

This study suggests AIDS has not made deep inroads into mainstream American life. However, it does not provide a true cross section of AIDS infection since some people who suspect they are infected may refuse to give blood for testing.

Another CDC study involved women giving birth. It found that 1.6 of every 1,000 were infected. Over time, the infection rate in these young women has gradually gone down in the Northeast, slowly increased in the South and stayed low and stable in the rest of the country.

HIV infections also appear to be steady or decreasing in two of the main groups at risk, homosexual men and intravenous-drug users.

For instance, data from venereal disease clinics in New York City showed a sharp drop in the infection rate among homosexual men. Half of these men seeking treatment in 1988 were infected, while one-third in 1993 were.

Infection rates seem to have leveled off as well among drug users. Another study found little change over the same period among people tested at 60 drug treatment centers across the country. Infection rates were 29 percent in the Northeast, 12 percent in the South, 7 percent in the Midwest and 3 percent in the West.

However, the infection still seems to be spreading quickly among crack cocaine users, most of them black and Hispanic. This is largely a problem of cities, but not exclusively so.

Many crack smokers trade sex for drugs or have sex with those who do. They become infected through frequent heterosexual intercourse with a variety of partners. Often they have other sexually transmitted diseases, which make HIV transmission easier.

Dr. Harold Jaffe of the CDC said those at greatest risk now are young, poor black and Hispanic women living in big cities as well as some small towns, especially in the South.

"The majority of these women were infected heterosexually, with transmission occurring especially among women with multiple sex partners, including women who exchange sex for drugs or money," Dr. Jaffe said.

USA Today; 2-2-95

Gene may cause adult diabetes

By Doug Levy
USA TODAY

Scientists have pinned down a gene that plays an important role in some of the 15 million cases of adult-onset diabetes.

Adult-onset, or type II, diabetes, is the most common. It is usually controlled with diet.

Identifying the underlying genetic cause of a disease opens up clues to new ways of treating or preventing it.

In this study, University of California, San Francisco, scientists found a gene that makes too much of a protein that blocks insulin in 7 out of 9 diabetics studied.

The protein, known as PC-1, appears to trigger resistance to insulin, the hormone that helps the human body process sugar, says Dr. Ira Goldfine, who led the research. He estimates this defect explains at least 10% of type II diabetes cases.

"It's very exciting, but I'm being cautious about it until we see what the prevalence of this (gene) is," says Goldfine.

With further study, Goldfine and his colleagues hope to learn how the gene works. Ultimately, "we could block the activity of the protein being produced or find ways to block the activity of the gene," he says.

Recipe Trouble

Wall St. Jrnl.; 2-2-95 p. 1

Production Problems At Generic-Drug Firm Lead to Serious Claims

Copley Let Bacteria Taint Asthma Drug, Now Faces Suits, Grand-Jury Probe

The Agents It Didn't Use

By JOSEPH PEREIRA and JOSEPH REBELLO
Staff Reporters of THE WALL STREET JOURNAL

On Jan. 13, 1994, a day after his lungs collapsed, Jeffory Flower died in his mother's arms. He was nine years old.

In the prior year, Jeffory, who had cerebral palsy and asthma, had been admitted to the hospital 12 times for pneumonia, says his mother, Michelle Hommerbocker. Soon after returning home each time, she says, his condition worsened.

Although she was baffled then, Ms. Hommerbocker eventually concluded that his asthma medicine played a role. When Jeffory was in the hospital, she says, he was given a brand-name inhalant, and his pneumonia abated. But at home in Oroville, Calif., where he inhaled a less-costly generic version of it mandated by his parents' health plan, she says, the pneumonia always returned.

Many other patients thrived on the brand-name drug, Proventil, and degenerated on the generic version, Albuterol, according to plaintiffs in suits against Albuterol's maker. The company, Copley Pharmaceutical Inc., of Canton, Mass., recalled the drug in January 1994 after finding bacterial contamination in it. The suits, most of them consolidated in federal court in Cheyenne, Wyo., allege that about 100 people died from Albuterol use.

Many Questions

Copley says that Albuterol contamination had nothing to do with Jeffory's final bout of pneumonia and that there is no proof anyone has ever died from the drug. It says contamination affected only four lots that left the factory, 118,000 vials in all, and the bacteria involved were relatively benign. But Copley told the court last week that the number of adverse-reaction reports may exceed 10,000.

Food and Drug Administration records and Copley documents, some of them obtained from plaintiffs' lawyers, show that questions about the company's ability to make Albuterol bacteria-free began before it reached the market and continued throughout the 20 months it was sold. The FDA-approved recipe called for three ingredients to kill bacteria. But Copley now concedes it never used two of the three and never told the FDA it wasn't doing so.

Some ex-employees say Copley also deviated from the FDA-approved recipe for making a generic version of an antihistamine. Copley recalled that drug last September, citing coating problems on the time-release pills.

Industry Issue

Recipe trouble is a bane in the $10 billion generic-drug industry. Managed care and other attacks on health costs are increasing the use of generics, which are supposed to be therapeutically equivalent to brand-name drugs. In approving their manufacture, the FDA certifies this is so.

But in a number of cases in recent years, generics companies have had difficulty making the knockoffs they say they can, even though they had given the FDA test results showing the drugs worked. In some cases, this is because a drug sample has been made in small batches for lab testing, but the recipe proved inadequate when scaled up to full production, says Peter Rheinstein, an FDA official who used to head its generic-drugs division. And in a few cases, the drug tested for approval has been a phony version of the patented drug, or lab results have been fudged. The FDA doesn't require clinical trials for generic drugs.

Companies discovering that their approved recipes didn't work have been known to resort to unauthorized revisions. Last month, an executive of Halsey Drug Co. in Brooklyn, N.Y., was sentenced to 18 months in prison for conspiring to add unapproved ingredients to generic drugs for irregular heartbeats, meningitis and hyperthyroidism. This month, some executives of Mutual Pharmaceutical Co., in Philadelphia, are expected to be tried in federal court in Baltimore on charges of concealing deviations from an approved formula for a heart drug. And some officials from Alra Laboratories Inc., Gurnee, Ill., await trial in federal court in Chicago on charges of falsifying data in approval applications for a pediatric antibiotic and other generic drugs.

Grand Jury

As for Copley, a federal grand jury in Boston is investigating whether it may have concealed drug-production problems and recipe deviations from the FDA. (It denies doing so.) An assistant U.S. attorney in Baltimore, Gary Jordan, says at least three other generic-drug companies are under similar grand-jury inquiry.

"The inability to make equivalent copies of brand-name drugs is the great unresolved problem in the industry today, and people are going to get hurt unless something is done," says Leroy Schwartz, a physician who is former head of New Jersey's Drug Utilization Review Council.

The FDA says it doesn't keep aggregate records of the reasons for drug recalls. But a review of 229 of the more serious recalls in FDA weekly reports since 1992 shows that about two-thirds related to formulation defects in generic drugs, which ac-

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count for only about 40% of unit sales.

The generics industry, of course, has come under scrutiny before. In a number of cases in the late 1980s, officials of generic-drug companies were found to have bribed FDA officials. Some of the malefactors went out of business, and the industry started to regain its reputation. The FDA led a "massive cleanup" of the industry, says an FDA official, Douglas Sporn, but he adds that "anytime you have a big industry and there's a lot of money to be made, you can't be sure everyone's going to play by the rules."

In October 1993, when 51% of Copley was bought by Hoechst AG of Germany, analysts praised Copley for its good record with the FDA. But issues concerning the soundness of Albuterol were already brewing. After Copley applied in 1989 to make this generic version of Proventil (a Schering-Plough Corp. asthma drug made under license from Glaxo), Schering objected. It went to court challenging the FDA definition of bioequivalency. The issue is on appeal.

Although the FDA said Albuterol was equivalent to Proventil, it questioned the efficacy of a preservative Copley would use to keep bacteria out of it and said Copley had to do more. (The drug has to be virtually sterile because it is inhaled as a mist.) Copley proposed to make up the deficiency by testing for a bacteria strain that was resistant to the main preservative and by using two extra germicidal detergents, company documents show. With this reassurance, the FDA in November 1991 gave approval to make Albuterol.

But did Copley use the extra germicides? An outside auditor hired after the 1994 recall could find no evidence that it did. The report says that "though we have seen documents which mention some cleaning agents, we have not seen any indication of the use of these specifically identified germicidal detergents."

Wei Wei Chang, a Copley executive, concedes Copley never used the two detergents. Although it intended to, she says, upon testing, it found they left an insoluble residue. She says Copley never told the FDA it had decided not to use them.

Continued Struggle

As for the main antibacterial agent, an FDA inspector told Copley in March 1992 that its tests to measure whether the amount of the preservative conformed to the recipe were being "done incorrectly."

Production began the following month, and Copley continued to struggle with the preservative. In May, an employee trying to boost the preservative's effectiveness poured too much sulfuric acid into an Albuterol solution, and the batch had to be destroyed. Ten months later, in March 1993, Copley found the preservative to be reacting with plastic hoses and creating extraneous compounds; it halted production and changed to stainless-steel pipes.

Mark Riley, a former quality-assurance employee, contends Copley was making only "haphazard efforts" at quality control. He charges that Copley, eager to get the product out, asked employees to take potentially dangerous shortcuts. Once, when bottles on the assembly line began shattering as they jostled against one another, he says, he asked that open bottles exposed to fragments be discarded. Instead, he says, workers were ordered to inspect them visually for glass.

"It was almost impossible for workers to find anything in those bottles," he says. "The vials were amber in color and wrapped with prescription paper." Kenneth Larsen, interim president of Copley, says the firm used visual inspection because "that was a common procedure used in examining liquid products."

Another time, Mr. Riley says, plastic shavings from wrong-size bottle caps were falling into some vials. Again, only a visual inspection was done. Mr. Larsen doesn't dispute this, although he says the material wasn't plastic shavings but fiber filaments from caps' shipping boxes.

Early Count

What's more, the company routinely signed inspection sheets before actually monitoring production. Mr. Riley alleges. A post-recall investigative report by the FDA, obtained through the Freedom of Information Act, found that Copley inspectors sometimes recorded bacterial counts inaccurately and signed off on internal water-quality documentation involved in making Albuterol before bacterial counts were completed. Copley says they were isolated incidents.

"I didn't really feel good about what the company was doing and I resigned," Mr. Riley says. He left in April 1993. He and his brother Michael, who also resigned a position at Copley, later protested the company's methods to the FDA.

Seven months later, on Nov. 23, a batch of Albuterol failed a quality-control test. Copley sent samples to an outside lab. Six days later, the lab told Copley it had found bacteria in the samples.

Copley didn't immediately stop selling the drug or report the problem to the FDA. Mr. Larsen (who was a director, not an officer, at the time) says that "it was assumed we had an isolated problem. The company was trying to find out more."

In late December, Copley did tell the FDA. And on Jan. 5, 1994, the company recalled all Albuterol it had ever made.

An internal Copley memo suggested how to field inquiries. If asked how long contaminated material had been on the market, the memo suggested replying: "This contamination was brought to our attention in late December of 1993, at which time we took immediate action to investigate and remedy the situation." If asked what bacteria were found, the memo suggested answering "*Pseudomonas fluorescens*," the name of a relatively benign microbe found in tap water.

But documents Copley submitted to plaintiffs' lawyers show that it told the FDA on Jan. 7, 1994, that lab tests had

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found *Pseudomonas cepacia*, which is more likely to cause infections. Court documents show Copley also had the results of a Jan. 6 lab test that found a far more dangerous strain, *Pseudomonas aeruginosa*, which can cause pneumonia even in healthy lungs and can be deadly for asthmatics.

Copley says it doesn't know whether the memo was circulated to employees. It says it had a positive identification on the lesser bacterium but not on the two more severe ones, and in fact later determined that the reports of these two were in error.

A Second Drug

Meanwhile, other problems were developing in the company's production of another drug, Brompheril, a generic version of Schering-Plough's Drixoral ER. These are time-release antihistamine tablets. Michael Riley says Copley had trouble producing coatings to sheath ingredient layers according to FDA-approved specifications, and workers were told to use unapproved formulas, or "crib sheets," that previous workers had developed. Instead of four coats and 790 milliliters per batch of the coating ingredient, they called for six coats and 860 milliliters.

Mr. Riley says that beginning in early 1993, he repeatedly asked for changes in such practices, to no avail. "All they wanted was production, get it out, get it out," he says. He says once he suggested that Copley resubmit papers asking the FDA to approve its formula revisions, but his supervisor, William Ivanowski, answered: "Do you want to go to jail? I don't want to go to jail. Are we going to tell the FDA that we've been lying to them all these years?"

Through his attorney, Mr. Ivanowski declines to comment. Copley won't either. But Mr. Larsen says the FDA allows some leeway on approved formulas, and Copley doesn't think it went outside the range.

In the spring of 1993, a Brompheril production supervisor, Joseph Nolette, says he prepared a list of manufacturing deficiencies for his superiors – saying, for instance, that irregular coating thicknesses could affect drug release. He says his memo wasn't heeded. Another Brompheril preparer, Kevin Madden, says he expressed similar complaints that were also ignored. Mr. Larsen says he can't find records of any such complaints.

Anthony Bonelli, then Copley's president, says he eventually learned of Michael Riley's protests and asked for a meeting. On Jan. 27, the Riley brothers and Mr. Madden met Mr. Bonelli and Chief Financial Officer Steven Tannenbaum.

The meeting was hostile. Messrs. Bonelli and Tannenbaum say they pressed unsuccessfully for the specifics of the complaints and reassured them there would be no reprisals if they went to the FDA. The Rileys say Mr. Bonelli asked, "What do you want?" followed by offers of inducements – including stock options, vacations or a job transfer – to keep them from going to the FDA.

Mr. Bonelli strenuously denies this and says that at one point, Michael Riley asked, "What do you want to give us?" – which Mr. Bonelli took as a bribe solicitation. Mr. Riley denies asking this.

Mr. Bonelli says he offered a transfer to Michael Riley, but only because he had expressed discomfort at where he was working, and offered a week's vacation in a similar spirit. After the meeting, Mr. Bonelli says, he ordered an end to Brompheril production "until such time as we knew we were in compliance with the product." However, Copley didn't stop selling the drug. Mr. Riley, meanwhile, went to the FDA and then to the U.S. attorney's office in Boston, asserting that Copley had tried to buy his silence – and prompting the grand-jury investigation.

Copley didn't disclose the shutdown until Sept. 14, almost nine months later, when it announced a Brompheril recall and the grand-jury probe. "Copley should get a platinum award for deception," charges Hemant Shah, an analyst with HKS & Co. in Warren, N.J. Copley's Mr. Tannenbaum says the shutdown wasn't disclosed because it wasn't material under securities laws. In 1993, Brompheril sales were $3 million, or 5% of Copley sales. (Albuterol was 13% of sales at the time of recall.)

Copley's post-recall test efforts to perfect production of Brompheril – a drug it first began making in 1982 – have also been fraught with problems, former employees say. They say millions of tablets have come out incorrectly, with either too much active ingredient, deformed cores or incorrect time releases. Mr. Larsen says it isn't surprising that some failures should occur in testing.

Source of Contamination

There are no claims of injury from Brompheril. The Albuterol case is more serious, with more than 50 court claims growing out of the contamination. The company eventually told the FDA that it resulted when an employee neglected to drain some filling pipes in mid-November 1993, and bacteria that grew in the stagnant water were flushed into vials when production resumed. A final audit seven months ago concluded that contamination affected eight lots – four of which were shipped – made between Nov. 11 and Dec. 15, 1993.

Mr. Larson, citing the limited nature of the taint, now says the complete recall was a "blunder," adding, "Why in the world did we recall all that product?"

But evidence of continual cleansing problems in Albuterol and possible falsification issues have put in a new light the claims that the drug may have been harmful before the recall. As in the Jeffory Flower case, many plaintiffs say they did better on the brand-name asthma drug, Proventil, than on the generic.

While he was taking Proventil, Harvey Lee Sanders of Ceres, Calif., was an active 57 years old despite his asthma and emphysema, says his wife, Carol. A lover of the outdoors, Mr. Sanders frequently went camping, fishing and hunting. But she says that when Albuterol came on the market in 1992, their state medical insurance, MediCal, mandated its use because it was cheaper.

After that, "he was in and out of the hospital for pneumonia," Ms. Sanders says. His illness had taken such a toll by March 1994 that when Mr. Sanders saw a TV ad soliciting Albuterol users for lawsuits, she adds, he knew it was too late.

"After seeing that ad, we stayed up late into the night discussing what he should do," Ms. Sanders recalls. "He said he was going downhill so fast he wouldn't live to see a dime of that money." He died on Oct. 5, 1994. He was 59.

Balt. Sun; 2-1-95

Salesmen are disciplined over promotion of drug

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INDIANAPOLIS — The maker of Prozac said yesterday that it has disciplined two salesmen for violating company policy by promoting its popular anti-depressant during a seminar for high school students.

Eli Lilly and Co. took the action after parents of students at Walter Johnson High School in Bethesda, Md., complained that a program on depression turned into a product promotion.

While discussing depression, the two Lilly employees handed out brochures on Prozac. They also distributed pens and paper bearing the drug's and the maker's name so that the students could fill out questionnaires used to screen for depression, Lilly spokesman Edward West said.

He refused to identify the district sales manager and sales representative involved, and wouldn't disclose the disciplinary action taken against them. He did not say if they still work for Lilly.

N.Y. Times; 2-2-95

Overproduction of a Protein Is Linked to Adults' Diabetes

By SANDRA BLAKESLEE

Millions of Americans develop a form of diabetes in adulthood because they make too much of a protein that interferes with their cellular machinery, scientists reported today.

The finding, described in the current issue of Nature magazine, opens a new avenue of research into what causes Type II diabetes, researchers said. The condition, in which the body becomes resistant to insulin, used to be referred to as adult-onset diabetes and is a less severe form of the disease than Type I diabetes.

"It is a very compelling story," said Dr. Jeffrey S. Flier, a professor of medicine at Beth Israel Hospital at Harvard University and an authority on diabetes. "It's novel, interesting and involves a completely unexpected kind of molecule."

A finding that opens a new avenue of research into the cause of diabetes.

The work is "very exciting," said Dr. Simeon Taylor, chief of the diabetes branch in the division of intramural research at the National Institute of Diabetes, Digestive and Kidney Diseases in Bethesda, Md. He said it might make it possible to design drugs that treat the disorder at its most fundamental level.

The research team was led by Dr. Ira D. Goldfine, a professor of medicine and physiology at the Mount Zion Medical Center of the University of California at San Francisco. Scientists from Stanford University and Genentech Inc. also participated

An estimated 15 million Americans have Type II diabetes; generally, they are unable to metabolize sugars and carbohydrates, the body's main sources of fuel. The condition is treated by exercise and modifying the diet and, in some cases, insulin injections

About 80 million other Americans are insulin resistant to a lesser extent but have not yet developed overt diabetes, Dr. Goldfine said. About a quarter of them will probably become ill later in life with symptoms of diabetes, which include fatigue, obesity and nerve damage.

Insulin is produced in the pancreas and circulates to virtually every tissue in the human body, Dr. Goldfine said. It is taken into cells through an insulin receptor that sits on cell membranes. Once insulin docks with a receptor, he said, the receptor triggers enzymes inside the cell that promote growth and cell survival.

Type II diabetics tend to have normal insulin genes, receptors and enzyme systems, Dr. Goldfine said. Thus, researchers have long puzzled over what might cause cells to be insulin resistant, which many believe to be the primary defect leading to Type II diabetes.

Dr. Goldfine found a clue in the skin cells of a 42-year-old woman who is insulin resistant. The cells contained amounts of a protein called PC1 that were up to 10 times higher than normal. The normal function of PC1's is not known, Dr. Goldfine said. But it is possible that its overexpression impairs the ability of the insulin receptor to activate cellular enzymes.

In the study, Dr. Goldfine looked at PC1 activity in nine other Type II diabetes patients and found that the protein was elevated in seven of them. People without diabetes did not show elevated levels of PC1, he said.

Preliminary studies in diabetics show that PC1 levels are elevated in muscle tissue as well as skin cells, Dr. Goldfine said.

The gene that makes PC1 had previously been cloned, he added. When researchers inserted copies of the gene into normal cells in a laboratory dish the cells showed excess amounts of PC1, he said, and became insulin resistant.

There are probably many ways that cells can become insulin resistant, Dr. Goldfine said PC1 overexpression is one explanation, affecting a so-far unknown percentage of Type II diabetics. Nor is it known if a single gene goes awry and creates the overproduction if other cellular factors fail

But if the protein is a crucial player in Type II diabetes, it would be an excellent target for new drugs, Dr Flier said Agents could block the protein and normalize cell activity

Insulin resistance is also a risk factor for coronary artery disease and high blood pressure, Dr Goldfine said, adding that new treatments for diabetes could have an impact on those disorders as well

Baby Deaths and Soft Bedding

WASHINGTON, Feb. 1 (AP) — The use of soft bedding like pillows, comforters and sheepskins may contribute to the death of as many as 1,800 American infants a year, the Consumer Product Safety Commission reported today.

A two-year study by that Government agency found that in up to 30 percent of the 6,000 annual cases of sudden infant death syndrome, the baby may have suffocated as a result of sleeping on top of soft bedding.

Sudden infant death syndrome is the death, of no apparent cause, of babies younger than 1 year old. In some cases, researchers believe, the infants' bedding covers their mouths and noses, and they die of carbon dioxide poisoning as a result of breathing the trapped air they have exhaled.

The commission said today that the findings of its study underscored advice that the medical community has offered parents for several years: Never put a sleeping baby to rest on top of fluffy bed clothes. Most authorities also advise that babies be put to sleep on their backs or sides.

Wall St. Jrnl.; 2-2-95

Study Links Blood Substance To Heart Risks

By AMAL KUMAR NAJ
Staff Reporter of THE WALL STREET JOURNAL

Researchers reported new evidence linking high levels of a blood substance called homocysteine to increased risk of cardiovascular diseases, including stroke.

Their study, published in today's New England Journal of Medicine, also suggested three types of vitamin B may lower levels of the substance — and a person's risk for the disease. Homocysteine, an amino acid, was found in low levels among people with high amounts of folic acid and the vitamins B-6 and B-12 in their blood. These vitamins are present in citrus, a wide variety of green vegetables, fish and poultry.

The findings also support a belief among some heart researchers that the amino acid is an independent risk factor for cardiovascular disease, much like cholesterol or high-blood pressure.

The study involved 1,041 men and women, ages 67 years to 96 years, still participating in the original Framingham Heart Study begun nearly 50 years ago. The study was conducted by the U.S. Department of Agriculture in collaboration with Tufts and Boston Universities and the Framingham group.

The researchers measured the degree of narrowing of carotid arteries, a condition known as carotid stenosis, in these people, using ultrasound equipment. Carotid arteries deliver blood to the brain. The study found that those with the highest homocysteine levels were twice as likely to have narrowing arteries as those with the lowest levels.

The odds of having diseased carotid arteries decreased as the blood levels of folic acid and, to a lesser extent, vitamin B-6, increased in the participants.

The researchers said the results took into account the participants' age, gender, cholesterol level, blood pressure and smoking status.

Homocysteine, an amino acid, is normally formed in the body as proteins are broken down. Scientists say they believe the substance is toxic to cells lining the walls of blood vessels.

The researchers found that two-thirds of all the cases of high homocysteine concentrations were associated with inadequate levels of one or more of the vitamins.

In an accompanying editorial, Meir Stampfer, a researcher at Brigham and Women's Hospital at Harvard School of Public Health, said the study makes "an important contribution" to the present understanding that inadequate folic acid intake "is the main determinant of the homocysteine-related increase in cartoid-artery thickening."

Chgo. Trib.; 1-31-95

Sickle cell patients hail new treatment

By Bob Condor
TRIBUNE STAFF WRITER

The first treatment for sickle cell disease was announced Monday at a federal research center in suburban Washington, but the real impact of the medical breakthough was fully visible in room 314 of the Clinical Sciences Building on the University of Illinois-Chicago campus.

"I can hold a job now, I can walk farther than ever, I can even run a little bit," said Donnie Griffin, a patient at the UIC Sickle Cell Clinic and participant in a federally funded clinical trial of the new treatment for his disease.

The study, sponsored by the National Institutes of Health in Bethesda, Md., revealed overwhelmingly positive results about the ability of the drug hydroxyurea to reduce patients' severe pain, hospital stays and need for blood transfusions. Compared to a group taking a placebo, those on hydroxyurea benefited from a 50-percent reduction in symptoms on average.

Griffin was one of 57 people who enrolled in the trial through UIC, which was the largest clinical-trial site in the country. He has been taking hydroxyurea, a cancer chemotherapy drug, in tablet form once a day for the past 30 months.

"I've experienced pain ever since birth," said Griffin, a 41-year-old Lynwood resident. "I had swelling in my joints. My back and chest would hurt so much I could barely move. I have been in and out of the hospital" and lost his spleen and gallbladder.

"But in the last two years, it's like I'm a normal person," he said.

Sickle cell anemia is an incurable, inherited blood disease that affects primarily people of African, Mediterranean, Middle Eastern and Indian descent.

In the United States, most cases involve African-Americans; about 150 black children per 100,000 suffer from the disease. Eight to 10 percent of African-Americans carry the gene, and about 72,000 suffer sickle cell symptoms.

In the Chicago area, an estimated 1,500 children have the active form of the disease, while another 2,500 to 3,000 adults struggle with its mysterious and painful nature.

"That may not seem like a lot," said Dr. Mabel Koshy, director of the UIC clinic, "but many of these patients will be hospitalized three to 10 times a year."

The disease causes the clumping of hemoglobin, a chemical substance that transports oxygen, in red blood cells. The clumping causes red blood cells to form a half-moon or sickle shape and become rigid. The cells consequently cannot pass through tiny blood vessels, leaving the patient with an inadequate blood supply.

Hydroxyurea is the first drug to be identified as a direct treatment for sickle cell. The drug already marketed as a cancer treatment.

The hydroxyurea results were so good, the NIH elected to end the clinical trial four months early to allow patients on the placebo to share in the benefits.

Though patients, doctors and scientists have reason to be excited, Koshy said sickle cell patients still must be cautious. For one thing, the drug is a treatment and not a cure.

USA Today; 2-2-95

Sperm counts show decline; fertility stable

By Anita Manning
USA TODAY

Men's semen quality has declined in the last two decades, says a new report that bolsters earlier studies suggesting a steady decline in sperm counts over the last half-century.

A 20-year study of semen samples donated by healthy men to a Parisian sperm bank found the concentration of sperm decreased by 2.1% per year, from 89 million per milliliter to 60 million, say French doctors in today's *New England Journal of Medicine*. Fewer than 20 million per milliliter is considered infertility.

The volume of semen didn't decrease, but the percentages of normal sperm and of mobile sperm declined.

The researchers, from Cochin Hospital Group in Paris, say they can't explain the decline in semen quality, but note it coincides with an increase in the incidence of genital tract abnormalities, including testicular cancer and undescended testicles. They suggest exposure to environmental pollutants could be implicated.

In an editorial, Dr. Richard J. Sherins of the Fairfax, Va., Genetics and IVF Institute, said there is no evidence that male fertility is declining. Infertility rates for 30 years have held at 8% to 11% and male infertility has accounted for about one-third of cases.

He faults the French study: "I see their numbers but I can't draw final conclusions," he said in an interview. "What's missing is a balanced, random, prospective, broad evaluation."

Chgo. Trib.; 1-31-95

Further tests needed to trace herpes' cause



Ann Landers

Dear Ann Landers: Recently, you responded to the mother of a teenage daughter with herpes. From the tone of the mother's letter, there was no doubt she thought the disease had been sexually transmitted. However, this is not necessarily so. I believe your readers would appreciate knowing the facts.

My wife, "Mary," broke out with herpes, and it almost caused a divorce because she knew she could not have gotten it from anyone but me. I was single for 15 years before our marriage, so it was assumed that I brought this disease into our bed. Her doctor told us that since at least 80 percent of herpes viruses contracted in the genital area are herpes simplex, or genital herpes, we should assume Mary's was, too.

Faced with a most uncomfortable situation, we insisted on further testing. It turned out that she had herpes zoster, the result of Mary's having had chicken pox as a child. The virus reactivated because of stress involving Mary's new job.

So, please, doctors, don't be so quick to judge. Give your patients the benefit of the doubt until you complete all your tests. Thanks for listening, Ann.

Reading, Pa.

Dear Reading: Your point is well-taken. The admonition, however, should be directed to parents, sweethearts and spouses. Physicians rarely do any "judging" when it comes to diseases. Those few who might are in the wrong profession.

A plea for regular checkups

Dear Ann Landers: I lost my wife recently, after 53 years and nine children. My only regrets are the things I didn't do often enough.

I should have encouraged my wife to play the piano more, take more walks with me, travel more and spend more time on her hobbies. I should have told her I loved her every day, without fail, kissed her more often and brought home flowers for no special reason. I also should have made sure she went for her annual physical checkup. Maybe the last was the most important of all.

A Longtime Reader in St. Louis

Dear St. Louis: Don't be too hard on yourself. You sound as if your marriage was a very good one.

Fifty-three years and nine children sounds like a pretty together family. I'll bet you were a sweet husband and a good dad.

Can openers can be deadly

Dear Ann Landers: Recently, I had to go to the emergency room of the hospital. I was asked if I'd had a recent tetanus shot. When I said, "No," the nurse told me about a woman who contracted tetanus (we used to call it lockjaw) from a cut she received while opening a can. That poor woman died.

Ann, the lid of a can is sterile when it's first opened, so I couldn't understand how this happened. However, when I returned home and looked at my electric can opener, it made perfect sense. It wasn't the can—it was the can opener. The rotary cutting wheel on the one I was using was caked with crud. No one ever thinks to clean it. I immediately got an old toothbrush and scrubbed both the wheel and gear teeth of the can opener.

Lakeside, Calif.

Dear Lakeside: After I read your letter, I went right into the kitchen and scrubbed my can opener. I'll bet a lot of readers will, too. Thanks for the nudge.

Feeling pressured to have sex? How well-informed are you? Write for Ann Landers' booklet "Sex and the Teen-ager." Send a self-addressed, long, business-size envelope and a check or money order for $3.75 (this includes postage and handling) to: Teens, c/o Ann Landers, P.O. Box 11562, Chicago, Ill. 60611-0562. (In Canada, send $4.55.)

N.Y. Times; 2-2-95

Study Finds 2-Decade Decline In Sperm Counts of Fertile Men

By GINA KOLATA

A new study has found a marked decline in sperm counts among fertile men over the past 20 years, reopening a heated argument over whether sperm counts serve as an environmental bellwether, showing effects of accumulating toxins in the environment.

The paper, published today in The New England Journal of Medicine, was based on data collected over 20 years at a Paris sperm bank. Some experts in the United States took strong exception to the findings, saying the question of whether sperm quality was deteriorating was still open.

Some say environmental toxins like dioxin have had an ominous effect, including declining male fertility, undescended testes and even testicular cancer. Others say the studies of sperm so far have been so inadequate that such arguments contain more oratory and hyperbole than fact.

The new study, by Dr. Pierre Jouannet of the Center for the Study of the Conservation of Human Eggs and Sperm in Paris, examined semen collected by a sperm bank in Paris beginning in 1973. It reports that sperm counts fell by an average of 2.1 percent a year, going to an average of 60 million sperm per milliliter in 1992 from 89 million per milliliter in 1973. At the same time, the study found, the percentages of sperm that moved normally and were properly formed declined by five-tenths of 1 percent to six-tenths of 1 percent a year.

In their paper, the authors speculated that environmental toxins might be a cause of the deterioration they observed.

The paper is accompanied by an invited editorial by an expert on male infertility who described his commentary as a rebuttal. The expert, Dr. Richard Sherins, director of the division of andrology at the Genetics and I.V.F. Institute in Fairfax, Va., said the current studies and several preceding ones suffered from methodological flaws that made their data uninterpretable.

For example, Dr. Sherins said, the studies did not look at sperm from randomly selected men in the population. Instead, they used men who were donating sperm for purposes like artificial insemination.

"Who knows what subject selection there was for a sperm bank?" Dr. Sherins said. Twenty years ago, men might have been chosen because they had particularly high sperm counts.

In addition, Dr. Sherins and others said, sperm counts and sperm quality vary so much from week to week that it is hazardous to rely on single samples to measure sperm quality, as these studies did.

With widely scattered data points, as in these studies, even statistical analyses are debatable, Dr. Sherins said. One analysis can show that sperm are deteriorating while another of the same data can show they are improving.

Moreover, Dr. Sherins said, sperm counts and the percentage of abnormal sperm are both poor indicators of fertility, so it is hard to say what a decline in either would mean. In any case, the incidence of infertility has not changed in the past few decades, he said, remaining at 8 percent to 11 percent of all couples, with male infertility accounting for a third of all cases.

Dr. Arnold Belker, who is clinical professor of the division of urology at the University of Louisville School of Medicine and the immediate past chairman of a committee on male reproduction of the American Society of Reproductive Medicine, agreed with Dr. Sherins. He said that though there was a possibility that semen quality was declining, studies so far "have been not been done in such a fashion that we would know."

L.A. Times; 2-2-95

Murder Study Warns Older Women, Children

■ Crime: Analysis of 50 years of statistics finds that preschoolers and nonwhite females are at growing risk of becoming homicide victims.

By RICHARD A. SERRANO
TIMES STAFF WRITER

WASHINGTON—As homicide rates soar to record levels across the nation, preschoolers and elderly minority women are increasingly at risk of becoming victims, according to a study released Wednesday.

In addition, California has the third-highest homicide rate in the nation, according to the study, "Homicide in the United States: Who's At Risk." The study analyzed a half-century of crime statistics and found that young children and nonwhite women, particularly those older than 75, "have become much more vulnerable to the risk of being killed."

"Children killing children is not such a sensational story anymore," said Carol De Veta, senior research demographer for the nonprofit Population Reference Bureau. "We're showing that this is a pattern that is really becoming solid. We just see the risk factors for victims growing younger and younger."

Homicide rates for children age 4 and younger rose to their highest levels in 40 years for all race and gender groups, while the rates for minority preschoolers have increased by about a third.

For minority children age 4 and younger, the 1990 murder rates were 8.9 homicides per 100,000 for boys and 8.6 for girls. Both have been climbing since 1950, when they were 2.4 for both sexes.

For white youngsters, the rates climbed from 1.0 to 2.7 per 100,000 for boys and from 1.2 to 2.1 for girls.

The homicide rate for older minority women also rose sharply in the last decade, from 6.7 for every 100,000 people to 11.7 today. De Veta attributed the rise, in part, to the growing independent lifestyle of elderly residents, particularly those who are frail and live alone in larger cities.

California's murder rate was third behind Louisiana and Mississippi. California averaged 13.6 murders annually for every 100,000 residents, compared with a national rate of 10. The District of Columbia reported 66.5 murders per 100,000 residents.

The overall national murder rate of 10 victims per 100,000 residents marks a slight decrease from the 1991 rate of 10.5 but is still higher than during most of the 1980s.

Although the study did not make any recommendations for curbing crime, it revealed that seven of every 10 homicides in 1993 were committed with a firearm.

The Population Reference Bureau, a nonprofit research group that reports on population issues and trends, said 70 people are killed each day in the United States as the result of homicides.

"Public opinion polls show that Americans currently rank crime, particularly violent crime, at or near the top of their concerns," the main researchers, F. Landis MacKellar and Machiko Yanagishita, said in their study.

"Newspapers, television and radio programs suggest that violent death has become a way of life, especially among young adults."

The bureau's work confirmed other national studies showing that African-Americans, particularly young black men, face the greatest threat of violent death—38.8 victims for each 100,000 residents from 1989 to 1991. Hispanics were next at 15.5, followed by Native Americans at 11.7, whites at 5.7, and Asian-Americans at 5.5.

But the study also found that homicide rates for minorities have fallen substantially in the last 20 years. Nonwhite homicide rates, once 10 times higher than those of whites in the early 1970s, are now only six to seven times higher.

Although the study did not make any recommendations for curbing crime, it revealed that seven of every 10 homicides in 1993 were committed with a firearm.

It added that if homicide deaths from handguns were eliminated and the crimes were committed with some other weapon, the U.S. homicide rate would drop 57%.

But even at this lower rate, the study added, "the U.S. homicide rate would remain above those of most other industrialized nations."

Balt. Sun; 2-2-95

U.S. murder rate for children soars

Knight-Ridder News Service 12A

WASHINGTON — A study released yesterday shows that the country's murder rate is about the same as it was six decades ago and that the rate for minorities has actually decreased in the past two decades.

But the homicide rate for children under 14 is "at or near record highs for the post-World War II era," the study said. And rates for preschoolers 4 and younger have risen to their highest levels in 40 years.

"The fears that we're losing our youth to violence is true," said Carol J. De Vita, director of publications for the Population Reference Bureau, a nonprofit research group that conducted the study. "There are clear signs of increased preschool risk. They are becoming more vulnerable to violence much earlier."

The bureau's study "Homicide in the United States: Who's at Risk?," confirms some long-held perceptions about homicide in the United States but challenges a few of the prevailing ones.

"Everybody looks back and says, 'The good old days were better.' But we're now able to get a better focus on our larger history of homicide," Ms. De Vita said.

There's no debating one fact. The United States is still the murder capital of the world. Overall, there are about 10 murders per 100,000 persons in America, far higher than other industrialized nations. That translates into about 70 murders per day. But the rate is the same as it was in 1933, although it fell during the late 1950s.

MURDER RATES

Homicides per 100,000 population

1. D.C.	66.5
2. Louisiana	18.5
3. Mississippi	17.5
4. California	13.6
5. New York	13.5
6. Texas	13.3
7. Alabama	13.2
8. Maryland	13.2
9. Arkansas	12.7
10. Georgia	12.3
11. S. Carolina	12.2
12. N. Carolina	11.9
Entire U.S.	**10.0**
49. New Hamp.	2.0
50. N. Dakota	1.9
51. Iowa	1.9

Source: National Center for Health Statistics

The gap in homicide rates between whites and nonwhites has narrowed since the 1970s, the report said. Then, homicide rates for minorities were 10 times higher than those of whites. By 1990, the rate had fallen to six to seven times higher.

Part of the difference, the study said, was because of an increase in homicide rates for whites in that time. The rate for white males increased from 9.2 per 100,000 in 1969-1971 to 10.2 in 1989-1991. But the rate for nonwhite males dropped from 74.6 in 1969-1971 to 53.7 in 1989-1991.

Ms. De Vita said that the distribution of offenders had not changed much through the years. The majority are between ages 15 and 24, the study said; just over half are black, and 42 percent were white. Most homicides were intraracial, with blacks killing blacks and whites killing whites.

The study, conducted by two researchers, F. Landis MacKellar and Machiko Yanagishita, analyzed National Center for Health Statistics data from 1920 to 1993 and the FBI's Uniform Crime Report statistics from 1964 to 1992.

America's peak homicide rate was in 1980, when 10.7 murders per 100,000 occurred, Ms. De Vita said.

"Whether it's our lawless frontier heritage or our 'go it alone, fight it out' mentality, it appears that violence and homicide have always been a part of our society," she said. And the current weapon of choice is clear: Between 1991 and 1993, more than two-thirds of victims were killed with firearms.

USA Today; 2-2-95

Teens in the cross fire: 'Worst is yet to come'

Violent death rates potentially explosive

5A

By Patricia Edmonds
USA TODAY

Kidnappers left Jennifer Day's body in a field, riddled with stab wounds. The day after her funeral, she would have turned 15.

Thieves shot 19-year-old Antoine Adams through the skull. He died 12 minutes after clocking off his grocery store job.

Robbers separated Percye Thomas from his customized car by firing a .357 Magnum into the 20-year-old's neck.

These three deaths within miles of each other in metropolitan Dallas represent a once-shocking trend that has hardened into a national truth: The young no longer are insulated from violent crime; they are its most frequent victims.



DAY: Stabbed to death at age 14

Homicide rates are at record highs for teen-age boys, says a Population Reference Bureau report out today. Of all homicide victims, three-fifths are young adults. From preschool to age 14, kids are likelier to be murdered now than at any time in decades.

This is no statistical blip, experts warn — no brief, violent era that soon will level off.

"The worst is yet to come," says James Fox, criminal justice dean at Northeastern University. "Today's teen-agers are maturing into even more violent young adults; and they're being replaced by an even larger group of teens in the years ahead" as baby boomers' kids reach adolescence.

In one glimmer of good news, the PRB report — "Homicide in the United States: Who's at Risk?" — says murder rates declined in the past decade for most adults over 40.

Murder "rates for middle-age groups drifting downward, that's great," says violence prevention expert Kenneth Powell of the federal Centers for Disease Control and Prevention in Atlanta.

But he calls it a meager victory at best: The rates are "nowhere near where we'd like them as a civilized country."

"The point I'd make" with the figures, Powell concludes, is this: "Is anyone *not* at risk?"

At highest risk, the PRB report says:

Teen-age boys. While the national average homicide rate is 10 victims per 100,000 people, white teen males were killed at a rate of 13 per 100,000 and black males died at a staggering 92 per 100,000, a rate that more than doubled from 1985 to 1990.

Leaving the pizza parlor where he worked, one January night in 1988 16-year-old Jeffrey Rudiger told friends he planned to meet co-worker Mark Alan Radke, 21. When Rudiger's body was found the next day, police determined he'd been handcuffed and stabbed more than 100 times.

Radke is serving a life sentence for murder, but "to this day we don't know a motive," says Rudiger's sister Kelly. Like so many killings of teens, "It was an unexplained, senseless murder," she says.

Teens and young adults ages 15-34. Though only 30% of the population, they account for nearly 60% of homicide victims. For some time, homicide rates have been highest for people in their 20s. But now for the first time, the report says, the rate for men 20-24 exceeds the rate for men 25-29.

Donald Rebovich of the American Prosecutors Research Institute faults a youth culture increasingly casual about violence: "The shock value's not there anymore. You know so-and-so is carrying a gun, and it's no big deal."

African-Americans. They constitute just 12% of the U.S. population, but more than half of all 1993 homicide victims.

Since the early '70s, murder rates for minorities have fallen — from 10 times higher than whites' rates, to six or seven times whites' rates now.

Still, the homicide rates for black women are consistently higher than those for white men; and in the triply threatened population of young black males, homicide is the leading cause of death.

"I taught my kids that you work for what you want," says Dorothy Harris — so her son Percye Thomas worked at a tire store to buy accessories for his 1984 Cadillac.

Confronted on July 14, 1993, by a carjacker, Percye may have reached for the gun in his glove compartment, Harris says. But Thomas' assailant fired first — and fatally.

"It seems like every night, my son would say, 'Mama, my friend got killed for so-and-so,' " Harris recalls. "And he'd say, 'I hope I make it.' "

Kids under age 14. In this group in which death is rare and the single greatest cause is accidents, the current homicide rates are at 50-year highs.

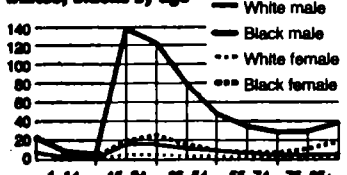
When 16-year-old Robert Conyers broke into a Manning, S.C., home on Nov. 24, 1991, he beat and raped Donna Sue Sims, fractured her 5-year-old son Ronald's skull — and beat her 2-year-old daughter, Kimberly, to death.

Sherie Masters-Carney, a victim assistance counselor in the South Carolina attorney general's office, says brutal killers like Conyers increasingly use this excuse: " 'I killed her because she was there.' "

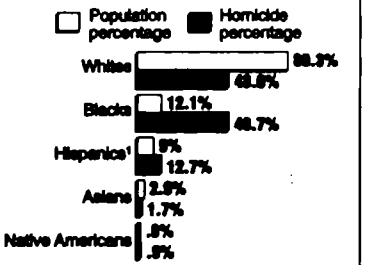
Homicides: Who's at risk

Black males in their teens and early 20s are statistically most at risk as homicide victims, a report by the Population Reference Bureau finds.

Homicide rates (per 100,000) for whites, blacks by age

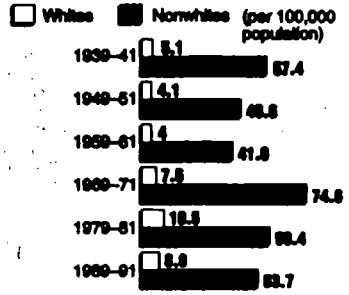


Who homicide victims are

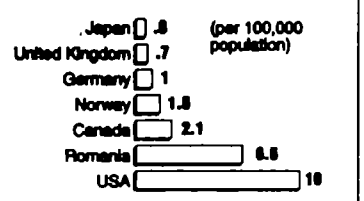


1 – Hispanics can be of any race, so percentages do not add up to 100.

Male homicide rates have shifted

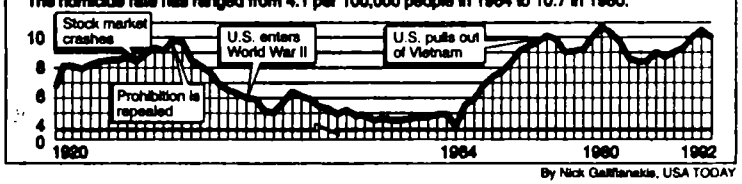


Homicide rates in various countries



Homicide rate highs and lows

The homicide rate has ranged from 4.1 per 100,000 people in 1964 to 10.7 in 1980:



By Nick Gaffanakis, USA TODAY



By Mark Williams

WIDOWED: Karen Turner is raising her sons Dan, 6, and Hamilton, 2, alone. Her husband, Dennis, was killed by a 13-year-old.



By Mark Williams

GRIEVING MOTHER: Dorothy Harris with a picture of son Percye who was shot to death in 1993 by a carjacker

While the PRB report found homicide rates higher for one segment of adults — non-white women age 75 and up — it found all other Americans over 40 are less likely to be murdered now than a decade ago.

Reasons analysts suggest: This group has outgrown its own violent phase and takes precautions against crime.

Neither precautions nor statistics counted the night of Jan. 22, 1993, as Dennis Turner, 41, substituted on a friend's predawn paper route. A 13-year-old pulled a gun, demanded Turner drive him a few miles, then shot him. His widow, Karen, was left with two sons.

Living in small-town Ferris, Texas, the family felt safe, Karen Turner says. They clung to the statistics — "this doesn't happen to people like us."

But in a nation where seven of 10 murders are committed with a firearm, the tools of the executioner simply are no longer for grownups only, says Stephen Teret of the Johns Hopkins Center for Gun Policy and Research:

"It used to be, for one person to kill another, there had to be strength. There had to be a funny kind of courage that allowed you to walk right up and do somebody harm. ... Now, none of those things are required. You can kill just by spraying gunfire around; you can kill long-distance, without looking someone in the eye."

So without benefit of maturity, Teret says, "all that's left to keep people from killing other people is morality."

Editorials & Op-Ed

Wash. Post; 2-2-95

Balancing the Health Care Budget

THE ADMINISTRATION said last year that the deficit could only be reduced in the long run by controlling health care costs. Now congressional Republicans have begun to issue similar warnings. The implication is that Medicare and Medicaid, together a sixth of the budget, are both very much on the cutting board. That was the importance of the speeches House Speaker Newt Gingrich and Senate Majority Leader Bob Dole gave to the American Hospital Association this week.

The Republicans propose not just to reduce the deficit but to balance the budget while cutting taxes, protecting both defense and Social Security and paying the interest on the debt. Interest, defense and Social Security together are just over half the budget. Medicare and Medicaid payments are more than a third of the rest, and rising. There is no way to balance the budget and do all the rest of what the Republicans want without cutting them. The only question is how and, in particular, how without shifting some large part of currently federal costs to such other heavily burdened payers as the states and the privately insured. The Republicans, as they themselves suggest, haven't figured that out yet. In fairness, no one else has either.

The speaker told the association members that "we have to rethink our health system" because current cost trends can only result in a "financial crash." He endorsed "the goal of Medicare," but warned that the Republicans should be expected to "make every decision within the context of getting to a balanced budget. Everything is on the table except Social Security."

That translates into somehow providing current levels of care, or close to current levels, at sharply less than currently projected cost. Mr. Gingrich said cost controls wouldn't work and spoke vaguely instead of achieving "cost collapses"—medical breakthroughs that would cut costs as had development of the Salk vaccine. He suggested that deregulation might also help, urging the members to "think about a world without the Health Care Financing Administration" without indicating what might replace it. The Republicans are also "looking at . . . a very dramatic and bold block grant process" with regard to Medicaid, he said, but again offered no details.

Mr. Dole likewise suggested that current health care cost trends aren't sustainable, but quickly added that he wasn't "talking about arbitrary cuts to Medicare. There is no magical number." "We're going to need your help," he told the group. "If you had to list four or five priorities on how you would reduce Medicare that wouldn't impact adversely on anybody, or very few, I bet you'd give us a lot of good answers, and I hope you will."

The Republicans are doubtless right that Medicare and Medicaid can be enormously improved, lightened up in any number of ways and made to deliver care more efficiently. Whether they can also somehow be contained within a balanced budget in a way that wouldn't "impact adversely on anybody, or very few," is not as clear. There isn't going to be a comprehensive health care bill before this Congress. But there is going to be a major health care debate.

USA Today; 2-2-95

The soup-kitchen elite

Poverty is a megabusiness in America. For each dollar we give the poor, welfare institutions soak up $10.

President Clinton, House Speaker Newt Gingrich and governors and other politicians from Maine to Alaska have been figuratively dining off our youngest and poorest citizens in the nasty debate that passes for "welfare reform."

Playing to our meanest impulses, they conjure up images of our economy evaporating under the spell of growing hordes of teen-age girls having babies. All claim that if their vision of how best to punish these wayward waifs and their offspring is properly funded the Union will prosper.



By Theresa Funiciello, a former welfare mother and author of *Tyranny of Kindness — Dismantling the Welfare System to End Poverty in America.*

What they fail to mention speaks volumes — for instance the fact that the rate of teens having babies has declined since the '50s and '60s; or that 14-year-olds cannot truly walk into welfare offices and come out with a check just for being pregnant; or that the average age of welfare mothers is 25 and most have only one or two children.

Instead of facts, the host of fibs they flaunt daily is designed to divert attention from the real issue underlying the debate: That is, who will control the patronage contracts that will flow from whatever the winning version is.

Make no mistake — they may be eating our young, but they'll be getting fat off the pork that's yet to come.

That's because poverty in America has become a megabusiness. With remarkable creativity, every time our social welfare institutions discover a need of poor people or redefine an already perceived one, these "non-profit" agencies manage to get money for themselves. Layers of elected officials influence the contracting-out process in a covert exchange for an array of future campaign contributions. Each helping hand washes the others while counting the bounty of its good intentions.

Instead of giving a welfare mother enough to buy decent food and housing for her children, the system offers her food pantries and shelters and a dizzying array of "services." The idea is that she can't be trusted to use money wisely. The result: a morass of wasteful and inefficient poverty bureaucracies. Because the people who run these operations are "good guys," their motives and effectiveness are rarely scrutinized.



By Marcia Stalmer, USA TODAY

This system fails us all, not by spending too much money on poor people, but by spending so much on their surrogates: the social welfare middlemen who claim to represent the interests of impoverished families. They consume at least 10 times the nation's actual cash payments to welfare families.

Using welfare mothers as public punching bags and ascribing multiple failures to them, the players position themselves to "fix" the women. Those now referred to as the "underclass" are regular subjects of social scientists (biased only by the sources of their paychecks) and the objects of innumerable cures by social welfare charlatans.

Single mothers, in spite of working outside the home in ever-greater numbers, have become more frequently and more desperately poor. For those on Aid to Families with Dependent Children, benefits have plummeted in purchasing power in the last two decades.

In part, the decline in the value of AFDC was a direct consequence of the expansion of the charities. Every time some charity fought for government money to increase the distribution of surplus food and other commodities, for instance, poor people's modest political capital was squandered. But the money went neither to buy food (for the most part) nor to people who needed some. It paid for offices and warehouses and trucks and stoves and salaries and other amenities for the soup-kitchen elite.

The food-banking system has become little more than a tax dodge through which responsibility for what all too often is garbage is removed from its producers (food- and household-product manufacturers and retailers), and upon which many non-profits depend for perks and paychecks.

Half of what's accepted as tax deductible is immediately dumped by the food banks — in local landfills, also on the taxpayers' tab. The other half is only partly food and only partly nutritious. (Items like meat tenderizer, hair spray and diet soda top distributors' lists.) This food ruse has become so costly that getting a real head of lettuce to a family can be three times the retail value. Most mothers would rather have the cash.

At its best, our patchwork social policies tend to focus on symptoms rather than solutions. For example, advocates' answer to the problem of low-birth weight babies is always more prenatal care. But more jobs for health-care professionals will not change the fact that eating enough food is the key to having healthy-weight babies. Giving mothers money for food will ensure they get it.

More money is wasted in the non-profit patronage game on unwanted and unneeded or incompetent services than it would take to provide income security to everyone. In spite of a relentless pursuit of government contracts and donated dollars, the poverty industry (unlike the welfare mother) is rarely subject to scrutiny. It is accountable to no one. No one is forced to measure and produce X amount of anything. And not a soul will ask the people who received the services to evaluate them.

If every poor mother in the country got the best possible job training, there still would not be enough jobs to go around. Without more paying jobs, poor women and children are simply punished for being poor while the social welfare establishment is rewarded yet again with "work-and-training" contracts that keep *them* fat and happy. Blaming those who do not fit into the wage market of an ailing economy will not do the trick. Only some form of guaranteed adequate income will.

Politics — not money — is the problem. After all, a young widow with children can get Social Security survivors' benefits at four times the average AFDC payment, and she'll stay on those rolls many more years than her welfare counterpart. No one worries about her "dependency," the costs to the U.S. Treasury, or whether her children will grow up seeing the proper connections between "work" and income.

It's time to start asking the real questions about ourselves as a people, the limitations of our current system of resource distribution, the abuses of power inherent in contracting-out and our mean-spirited policies that save one family and throw another away: our tyranny, of kindness.

ST. LOUIS POST-DISPATCH FRIDAY, JANUARY 20, 1995

Welfare 'Reform' Punishes Women

By Arlene Zarembka

Bashing women on welfare has become the latest political sport. Yet the $24 billion spent annually on the Aid to Families with Dependent Children (AFDC) program is only 3 percent of federal spending on entitlements and far less than the $277 billion military budget.

Welfare "reform" has nothing to do with saving money, but rather is about forcing poor mothers into marriage and destroying poor families.

In their Contract With America, Republicans claim that AFDC was established in 1935 to help widows with children, but that it "now serves divorced, deserted and never-married individuals and their children."

Two points: First, the AFDC program was never limited to widows with children. Second, the contract's subtext is that AFDC has been perverted from its original "noble" purpose of helping deserving poor widows (whose single status is not anyone's "fault") to one of helping "undeserving" women. Mothers who are unmarried for whatever reason — because they are divorced, abandoned, lesbians or simply choose not to marry — are suspect members of society whose independence must be arrested.

The contract proposes to eliminate AFDC and housing benefits to families headed by unmarried mothers under 18 — with states having the option to extend this prohibition to age 21.

Furthermore, families headed by women who give birth when they are 18 also could not receive AFDC unless the mother lives at home with her parents, or marries the father or another man who adopts the child. What if the father refuses to marry the mother? What if the father is violent and the mother shouldn't marry him? What if the mother's parents won't let them live in their home? What if the mother marries another man, but he cannot adopt the child because the father still has parental rights? The contract fail to deal with these real-life situations.

The contract would require states to set up work programs for AFDC recipients, and dubs them "work training and education programs." In reality, there would be no requirement that states provide recipients with any sort of training or education. Instead, states simply would have to ensure that a certain number of their AFDC recipients are working outside the home 30 to 35 hours a week.

Combined AFDC and food stamp benefits are less than the poverty line in virtually all states.

A mother caring for her infants at home is not considered working, while a mother paid to care for another family's children is counted as working.

States would have the option of ending AFDC payments to any recipient, including married mothers, after two years, if the recipient has been in a work program for at least one year. States would be required to terminate AFDC payments after five years, without exception, even if there is no paid work available or if available jobs pay too little to raise the family out of poverty.

A mother working a minimum-wage job earns so little that she would still be poverty-stricken, even if she had just one child. Yet Republicans oppose increasing the $4.25 per hour minimum wage. The GOP contract also says not a word about providing health insurance, which is rarely provided by minimum wage employers, or paying for day care expenses.

The Republican solutions for families unable to earn sufficient money to support their children when they are denied or forced off AFDC are three. (1) Have middle-class families adopt the children and give them a $5,000 tax credit for doing so. (2) Establish group homes for unwed mothers. (3) Open orphanages. So much for reinforcing poor families.

Playing on false stereotypes of large AFDC families, the Contract With America would allow states to reduce benefits if a recipient had another child. Never mind that the average size of families on AFDC is less than three, that the birth rate of AFDC mothers is lower than birth rates for the general population and that the birth rate among AFDC recipients in states paying low AFDC benefits is higher than in states paying high benefits.

Moreover, combined AFDC and food stamp benefits are less than the poverty line in virtually all states and have decreased by more than 40 percent in real terms since 1970. The additional AFDC benefits received with the birth of another child are far less than the cost of raising the child. Mothers simply do not increase their living standard by having more children.

Yet, while penalizing women for having additional children, the contract not only fails to mention contraceptives and sex education as part of the reforms, but would prohibit abortion services or counseling. While claiming to oppose unwed motherhood, the Republicans suggest nothing designed to help young women gain control of their reproduction.

Republican welfare "reform" is not about improving women's lives or increasing their options. Rather, it is about reasserting patriarchal control over women.

Arlene Zarembka, Clayton, is an attorney.

OMAHA WORLD-HERALD Monday, January 16, 1995

GOP Contract Offers Sound Steps For Climbing Out of Welfare Pit

The welfare-reform provisions in the Contract With America are far from becoming law. Disagreements have arisen between GOP congressmen and Republican governors. Speaker Newt Gingrich has distanced himself from a key provision. Liberal critics continue to brand the plan as heartless.

But already the welfare provisions in the contract have focused attention on questions that have gone unexamined too long.

The contract recommends scaling back the federal role in welfare and transferring money and authority to state governments. They would design their own programs. Spending caps and program consolidations would produce savings of $40 billion over the first five years, GOP leaders say.

Mothers under the age of 18, if never married, would no longer be eligible for Aid to Families with Dependent Children. States could extend the ban to unwed mothers who are 18, 19 and 20. Money that would otherwise go to them would be sent to the states to provide services, but not cash grants, for young mothers with illegitimate children.

Unmarried mothers would be required to identify the father to be eligible for assistance. States would be required to move welfare recipients into job training after two years. No one's benefits would last more than five years.

The contract calls for the end of welfare benefits to legal immigrants except those refugees who met certain qualifications. By some estimate, that provision would produce substantial savings — $21 billion. However, the future of that provision was clouded when Gingrich said he disagreed with it. Gingrich said denying equal treatment to immigrants who have been welcomed into the country legally would send a poor message about how the United States felt about legal immigration. He is, unfortunately, right.

Among the questions the contract has caused to be examined:

Why shouldn't the government try to eliminate policies that encourage the formation of single-parent households? Why shouldn't society do more to promote self-sufficiency? Why shouldn't the states, which are closer to the problem of welfare dependency, be given more responsibility to solve it?

Moreover, would it be such a bad thing if the ban on welfare for unmarried teen-age mothers caused more illegitimate babies to be put up for adoption? Or if it led to more sexual responsibility on the part of teen-agers?

Welfare, unfortunately, has become a way of life. The Contract With America offers tough but realistic steps back toward making welfare an emergency lifeline for people who need help getting on their feet.

Concerns exist. Some people have found the contract distressingly silent on the question of those who are genuinely incapable of taking care of themselves. In a recent public-opinion survey by the Kaiser Family Foundation and Harvard University, 68 percent of the respondents expressed support for a two-year cutoff of welfare for able-bodied recipients. Support for a welfare cutoff dropped sharply when the respondents were asked about people who couldn't find a job or couldn't earn enough to support their families.

However, nobody is suggesting that such people be turned out on the street. Supporters of the contract say that one of its strong points is its flexibility. It would enable states to seek the most effective ways of dealing with problems. A number of GOP governors have clashed with the congressional sponsors of the contract over the issue of flexibility. The governors say the states shouldn't be placed under too many restrictions with regard to whom they are permitted to assist.

America is suffering under an epidemic of unmarried teen-age motherhood, which creates deprived, unstable families and results in kids growing up intellectually and morally impoverished. We hope a reasonable balance can be found as the new Congress looks for a solution. Ideally, a way will be found to afford the states flexibility without giving up the idea that the government must stop facilitating and subsidizing the practice of children having babies.

Sacramento Bee; 1-25-95

Taming the unfunded mandate

For the last decade, a Congress shackled by budget deficits has been more eager to prescribe cures for the nation's environmental and social problems than to purchase the needed medicine. So on a whole range of issues, from water pollution to disabled persons' access to public facilities, lawmakers have taken a short cut: They passed environmental and social laws that require states and cities to spend their own scarce tax dollars fixing the problems. In the parlance of government, those are unfunded mandates.

States and cities are riled up about the practice. When the federal government requires a city to stop polluting the river with its sewage or to keep toxic chemicals from leaching out of the dump into drinking water aquifers, but doesn't send any money, the City Council must raise taxes or divert funds from other priorities. From the state and local perspective, unfunded federal mandates look a lot like buck-passing.

The complainers have a point. It's possible to come up with numerous examples of cases where one-size-fits-all federal mandates and regulations force local governments into wasteful spending.

But even if Congress sometimes blunders, there are also cases where unfunded mandates are good policy. A city in Missouri may not like paying to clean up the sludge it drops into the Mississippi River, but who else but Missourians should bear the cost? The states downstream? Californians? States and cities shouldn't be immune from meeting standards of conduct Congress sets for the nation as a whole.

The trick, then, is to write legislation that will reduce the number of thoughtless and wasteful mandates but preserve the federal government's ability to hold states and cities to reasonable environmental and labor standards.

The unfunded mandates bills now being considered in the Senate and the House make a start in that direction. They would require that legislation imposing costs of more than $50 million include a Congressional Budget Office analysis of the costs and a plan for financing them. (Legislation that imposes mandates as a condition for receiving federal grants would be exempt.) If the bill did not provide full funding, lawmakers would have to take a separate, explicit vote acknowledging as much. That much should improve Congress' ability to make good laws. But the bills Republicans are trying to rush through Congress have rough edges.

For example, by making it harder for Congress to pass mandates on the public sector than the private, the bill could skew the marketplace when the two sectors are in economic competition. Why should a public hospital be relieved of paying a minimum wage that applies to the private hospital down the street? In addition, the House version would open up congressional decisions on unfunded mandates to judicial review, an invitation to chaos and delay.

There's little doubt that President Clinton will sign the mandates bill when it eventually emerges. That makes it all the more important for Congress to get it right – even if the work takes longer than the Republicans' promised 100 days.

San Jose Mercury News; 1-25-95

Common ground

Clinton walks a ways down the Republican path

THE speech is called State of the Union, not State of the President. But all Washington has talked about since Nov. 8 is the very different Congress that Clinton stood before Tuesday night, compared with the one a year ago, and how he would respond to it.

Facing a Republican Congress, put there by voters dissatisfied with government and suspicious of its size and its taxes, Bill Clinton proved again his adaptability. He accepted the verdict against him and his party. He acknowledged his own mistakes.

He also boasted, justifiably, of the national economic upswing during the first two years of his term.

As for how he will approach the Republican Congress, you can strike defiance from the list of options. Clinton was short on specifics in many areas, but his speech spent much time seeking common ground with Republicans.

New Jersey Gov. Christine Whitman thought he found some. In the Republican reply, she said that "at times the president's ideas sounded pretty much Republican."

While she wasn't sure of his sincerity, Clinton, a moderate Democrat, was not in unfamiliar territory. He spoke of a smaller and smarter government. He trumpeted the cuts in the federal bureaucracy he has made already. He pledged to cut the deficit more. He reiterated his plan for tax cuts and credits for the middle class, pegged to savings and education.

While there are arguments to be had over the particulars, in general, those plans are congenial to the Republicans who have taken control of Congress. And, with reservations about the tax cuts, we think they are plans Congress should enact.

If Clinton had hoped the speech would define him in distinction to Congress, he drew his profile only in faint terms. He said he would not accept tax cuts that expand the deficit, welfare reforms that punish poverty, or revisit the crime bill passed last year, specifically the assault weapons ban that was part of it.

He called for honest budgeting on tax cuts. But we're waiting to see his own arithmetic. He put Social Security, Medicare, and apparently, defense, off limits. That's more than half the budget.

On health care reform, which Clinton is right to keep pursuing, he suggested more modest improvements than the plan he put forth last year.

In one respect, the election didn't change the old Clinton. The speech lasted forever. Gingrich & Co. have brought out the "new Democrat" that Clinton always has claimed to be. Pulled hard from the right, he makes a good centrist. But taking the middle of the road doesn't have to last until the middle of the night.

OMAHA WORLD-HERALD Wednesday, January 18, 1995

Advisory Council Digs Into Social Security

One of the more discouraging aspects of the debate over repairing the Social Security System is the apparent lack of general interest in the idea. When Bob Kerrey and John Danforth proposed reforms to keep Social Security solvent after the baby boomers retire, other politicians ran for cover. Social Security is one of the few items the new Republican majority has declined to address.

Commendably, the indifference of politicians does not seem to have discouraged the Advisory Council on Social Security.

The council meets four times a year. Last year, an average of 15 people showed up at each meeting. Most of them were lobbyists representing senior citizen organizations. The council exists for the purpose of recommending changes its members consider necessary. Its members, commendably, seem to be facing the issue.

Chairman Edward Gramlich, a University of Michigan economist, said the council may vote on proposals to reduce the annual cost-of-living increase and to gradually increase the retirement age to 70. He said the council might also consider recommending that the minimum retirement age of 62 be raised. Or that Social Security be separated from the rest of the federal budget for the purposes of measuring the federal budget deficit.

Sylvester Schieber, a member of the council and a former Social Security Administration official, warned that without drastic changes, the trust fund would be depleted in 34 years. Congress must curtail benefits or raise revenues, he said. "People don't like to hear about these options, but it's the law of arithmetic that prevails here. Congress can rewrite other laws, but they can't rewrite the law of arithmetic," he said.

Some council members criticized Congress for backing away from the tough Social Security questions. Ann Combs, who served on the staff of the 1983 National Commission on Social Security Reform, said, "The sooner you deal with this, the less drastic the actions will have to be. The changes need to be phased in slowly." Congress must take action soon to avoid a political and fiscal crisis soon after 2000, she said.

Council member Fidel Vargas said he hoped that Congress wouldn't decide "to make a quick fix to avoid a political battle" about the long-term problem. It's good to read that there are people close to the situation who understand the need for action. The advisory council's recommendations, due before June 30, should be closely read.

THE DES MOINES REGISTER ■ TUESDAY, JANUARY 17, 1995

Iowa View/ **BERKLEY BEDELL**



Too much federal intervention in the marketplace is not the best policy for progress.

We should be free to choose our medicine

Nearly twice as many people in our country will have died of cancer this year as in 1962. The pharmaceutical drugs that proved so effective in the treatment of infectious, communicable diseases such as pneumonia and meningitis are proving not to be equally effective for major diseases of today, such as cancer, heart disease and Alzheimer's disease.

More and more diseases are becoming immune to the drugs that were previously effective. And health-care costs are spiraling out of control.

A recent study by Harvard Medical School indicated that there were more visits to providers of unconventional therapy than to all U.S. primary care physicians in 1990.

In view of all this, Congress under the leadership of Iowa Senator Tom Harkin established the Office of Alternative Medicine, to "investigate and validate" alternative medicine. If some of these treatments are effective, it would seem proper that people should know of it. If they are not effective, people also should be informed.

The legislation also provided for an advisory council, on which I serve. That council advises the Office of Alternative Medicine as to how it believes alternative therapies should be investigated. It consists of 19 members, including six doctors, one osteopath and three Ph.Ds. This council is committed to scientific studies, and at a recent meeting every major motion was passed unanimously.

Let me make it clear: Harkin, to the best of my knowledge, at no time ever told OAM how research should be conducted. That is the job of our council. It is true that Harkin tried to demand that OAM carry out the mandate of Congress to investigate and validate such treatments.

The issue is not Harkin. The issue is whether elected officials should demand performance of federal bureaucracies. When I was in Congress I felt one of my responsibilities was to try to demand performance from federal agencies, just as had been my task in my business. I am thankful that some members of Congress have the courage to do so. It is to be hoped that the initial growing pains of the Office of Alternative Medicine will focus attention on a much more serious problem.

In the United States today, a medicine cannot be distributed unless it has gone through the multimillion-dollar Food and Drug Administration approval process. This gives a virtual monopoly to the large pharmaceutical drug firms. No one else in this field has the money to go through this process. And no pharmaceutical firm will spend millions of dollars unless it can patent the drug and charge a sufficiently high price to get back the multimillion-dollar cost of obtaining permission to distribute. This policy eliminates most all non-toxic, non-patentable medicines from the market.

Many medicines and treatments that are freely available, and sometimes widely practiced in other industrial nations, are not available to Americans unless they have the money to go abroad.

The FDA serves a purpose by certifying that in its opinion certain medicines are "safe and effective." It serves quite a different purpose when it goes on to say that people cannot have the freedom to choose the treatment they want, as is true in most all other areas of our society.

In medicine we have less freedom of choice than in most all industrial nations — and the most expensive health-care bill in the world.

When will we learn our lesson that too much federal intervention in the marketplace is not the best policy for progress? And that free choice and free competition are the qualities that have made our country great?

BERKLEY BEDELL *of Spirit Lake is a former Iowa congressman.*

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World-Wide

MIDEAST LEADERS HELD an unprecedented summit to revive the peace process. After five hours of talks in Cairo, PLO leader Arafat and the leaders of Israel, Egypt and Jordan made a new commitment to a full Mideast peace including Syria and Lebanon. Israel and the Palestinians agreed to press on with self-rule agreements, and Arafat vowed to take a hard line against violence. Egypt convened the summit amid disputes over Jewish settlements and Islamic militant attacks.

A final summit communique planned to call for an end to political violence, perseverance with PLO-Israeli accords and more international funding for the Palestinian Authority.

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Clinton is expected to propose that the minimum wage be raised by 90 cents an hour, to $5.15, over two years. The plan follows days of talks with members of Congress. (Article on Page A2)

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The U.S. trade representative said sanctions proceedings will start tomorrow against Beijing in the fight over intellectual property protection. Kantor had invited Chinese officials to Washington this week for talks, but China didn't respond.

* * *

Gingrich introduced three bills in the last Congress to suspend duties on drug ingredients imported by a company that contributed $30,000 to a think tank affiliated with Gingrich, who is the new House speaker. (Article on Page A14)

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The House opened debate on a line-item veto bill, with a vote expected by Monday. The measure, supported by Clinton, would give a president the power to reject individual items in appropriations bills.

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Long-term exposure to ozone resulted in surprisingly little evidence of impaired lung function in rats, according to a new study. Separately, federally sponsored research with rats and mice found little evidence that long-term ozone exposure causes cancer. (Article on Page B10)

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Henry Foster Jr. was nominated by Clinton to be surgeon general, succeeding Joycelyn Elders, who was fired last year. The president said Foster, an obstetrician-gynecologist in Nashville, Tenn., would lead a campaign to curb teen pregnancy.

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House Democrats were thwarted in their attempt to stop GOP lawmakers from changing the 1994 crime law to give local governments the choice of spending aid on hiring more police officers or on prevention programs. The Republican-dominated Judiciary Committee approved the measure and sent it to the full House.

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Flooded rivers subsided in the Netherlands and some evacuees began returning home, but parts of the country still faced the threat of collapsing dikes. Flooding also eased in the rest of Europe.

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Transportation Secretary Pena unveiled plans to streamline his department by cutting its 10 agencies to three. Officials at the agency said the changes could save hundreds of millions of dollars.

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Early musical training may help develop brain areas involved in language, according to a German study of brain anatomy in people who have perfect pitch. (Article on Page B10)

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Peru and Ecuador offered last-minute proposals for a cease-fire in their weeklong border conflict. As the two sides held peace talks in Brazil, new fighting was reported in the disputed area.

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U.N. chief Boutros-Ghali proposed sending over 7,000 peacekeepers to Angola to help rebuild the Southern African country, devastated by three decades of war. He said a November truce appeared to be holding.

* * *

A Russian commander conceded his forces are a long way from controlling the republic of Chechnya. Russia's rights commissioner, a critic of the Chechen war, was nominated for the Nobel Peace Prize.

* * *

President Walesa began a move to dissolve Poland's Parliament and call new elections, pushing the country closer to a constitutional crisis. Walesa's action came after weeks of discord over the budget.

* * *

The new U.N. Bosnian commander went to the northwest Bihac enclave amid reports of a massing of Serb troops there. A U.S. official planned to meet in Germany this weekend with Muslim and Croat leaders.

THE GREEN SHEET

News About the U.S. Department of Health and Human Services

Vol. 42 No. 23 Friday, February 3, 1995

Wash. Post; 2-3-95 p. 1

Gynecologist Chosen for Surgeon General

GOP Reaction Wavers; Groups That Opposed Elders Are Critical



Henry Foster Jr. would replace the outspoken Joycelyn Elders.

By John F. Harris and John Schwartz
Washington Post Staff Writers

President Clinton yesterday named Henry Foster Jr., a soft-spoken gynecologist from Tennessee, to replace fired surgeon general Joycelyn Elders.

"No comment," Foster quipped at the Oval Office when reporters asked Clinton if he would let Foster be as outspoken as Elders, who was shown the door in December after saying that public schools should consider teaching about masturbation.

"I can't do better on that," Clinton said, throwing his head back in laughter.

The exchange was lighthearted, but White House officials are dead earnest in their hope that Foster can fashion a less controversial reputation than Elders. Her blunt pronouncements on abortion, teenage sexuality and the possible merits of legalizing drugs made her a ripe target for cultural conservatives.

Many of the same groups that denounced Elders said yesterday they are no more satisfied with Foster. In his home town of Nashville, Foster was active in Planned Parenthood, which provides abortion counseling, and was a founder of a youth group operating out of two public housing projects that encouraged young people to delay sexual activity but also distributed condoms.

See FOSTER, p. 5

N.Y. Times; 2-3-95

Top Official in AIDS Battle Says Efforts Are Inefficient

A17

By GINA KOLATA

The director of AIDS research for the National Institutes of Health says the $1.3 billion program is failing to encourage necessary research, and he plans to reassess Government's entire strategy.

Much of the money already committed by the institutes is tied up in expensive clinical trials, leaving little available for scientists to jump on new research leads, said Dr. William Paul, the director of the Office of AIDS Research at the institutes. "Across, the board, we don't have the resources available to fund really good ideas," he added.

Recent discoveries in AIDS show how hard it is to get money and how little is known even now about the basic biology of the disease, he said in today's issue of Science magazine.

Two scientists at Columbia University, Dr. Patrick S. Moore and Dr. Yuan Chang, who made a striking new finding, never applied for Government money because they believed it would take years to get through the review process and so raised money privately. Their discovery of a virus that causes the cancer Kaposi's sarcoma in people with AIDS, is being hailed as an important advance.

In another recent finding, two groups of scientists independently established that the body's immune system is locked in furious battle with the AIDS virus from the moment of infection. This discovery showed that much remains to be learned about the fundamental nature of the disease, underlining the view of some critics that the Government's AIDS research program should focus on basic biology instead of on premature attempts to make vaccines.

Promising research on H.I.V. is not getting U.S. help.

To free up funds for the pursuit of ideas and to encourage a return to basic questions about the human immunodeficiency virus, which leads to AIDS, Dr. Paul has decided to rethink the research agenda. He named Dr. Arnold Levine, a molecular biologist and cancer researcher at Princeton University, to lead a group of outside advisers to reassess the fight against AIDS. He expects the reassessment to be done in a year.

Dr. Levine said the goal was to have "a lean, trim, exciting research effort that can turn on a dime."

In pursuing this course, some experts say Dr. Paul is challenging researchers and institutions that depend on the existing projects and studies, but Dr. Paul said in an interview that the time was ripe for change.

Others agree. Dr. David Baltimore, a Nobel laureate and professor of biology at the Massachusetts Institute of Technology, said: "When a program has developed a maturity that the AIDS program has, there are a lot of people who are part of the system and who are not going to want to see the system change. But there are times when it is really necessary to shake up a system."

Many experts agree with Dr. Paul that it is clear that the current effort is far from ideal.

Dr. Jerome Groopman, director of the Mapplethorpe AIDS Laboratory at Harvard University School of Medicine, noted that only 1 of 11 research grants approved by panels of experts actually received any money. "It becomes a crapshoot," he said. "There is no difference between an A plus and an A plus plus."

Dr. Baltimore said that with funding prospects so gloomy, it becomes hard to get new people involved in the research.

Derek Hodel, who is director of Federal affairs at the Gay Men's Health Crisis, an organization on behalf of people with AIDS, said that when money for innovative research

See AIDS, p. 19

N.Y. Times; 2-3-95 p. 1

CLINTON'S BUDGET FALLS WELL SHORT OF G.O.P. DEMANDS

NO BALANCE BY YEAR 2002

His Message Foresees Deficit of About $190 Billion Each Year for Next Decade

By ROBERT PEAR
Special to The New York Times

WASHINGTON, Feb. 2 — President Clinton will propose $1.6 trillion of spending in his 1996 budget, and he would more than offset the cost of a middle-class tax cut with savings in other areas of the budget. But he still falls far short of Republican demands for a balanced budget in the year 2002.

Mr. Clinton's budget request, to be submitted to Congress on Monday, shows a deficit of $196.7 billion for the 1996 fiscal year, up slightly from the $192.5 billion that he projects for this year. Although his Budget Message boasts that his economic policies have sharply reduced the deficit from record levels, he says the deficit will probably stay in the range of $190 billion through 2005.

The budget is always a political document, and a theme of Mr. Clinton's 1996 budget is that he wants to "work with Congress," now controlled by Republicans. Indeed, he appears to be in a race with them as he tries to eliminate or consolidate programs or transfer them to the states or to private industry.

Parts of the Clinton budget echo Speaker Newt Gingrich. "The American people remain deeply dissatisfied with how their Government works," the budget says. "Many programs, perhaps even whole agencies, have outlived their usefulness."

In confidential galley proofs of the budget, Mr. Clinton says he can "save $2 billion by ending more than 130 programs" and "provide better service to Americans by consolidating more than 270 other programs."

For example, he asks Congress to abolish the Interstate Commerce Commission and to eliminate the role of the Army Corps of Engineers in smaller projects like the control of beach erosion, "local flood protection" and the construction of recreational harbors.

He says private meteorologists should take over some functions of the National Weather Service. He would rely on private businesses to track and communicate with spacecraft like the space shuttle. And he asks Congress to terminate 37 small "low-priority" education programs.

But budget documents show that Mr. Clinton will propose a major increase in his national service program, Americorps, which has been denounced by Mr. Gingrich as a form of "coerced volunteerism."

The number of participants, now 20,000, would rise to 33,000 at the end of this year and 47,000 next year under Mr. Clinton's proposal. For the corps' parent agency, which operates several volunteer programs, he requests $1 billion in 1996, an increase of $290 million over this year's appropriation.

Mr. Clinton says his economic policies have slashed the deficit from the record $290 billion in 1992. Still, his proposals would require additional Federal borrowing of nearly $1 trillion over five years, and the Federal Government would spend $194 billion more than it collects in revenue in the year 2000. Mr. Gingrich's Contract With America calls for eliminating the deficit by 2002, but the Republicans have not specified the cuts needed to achieve that goal.

The President's $1.6 trillion budget for 1996 breaks down this way: $262 billion, or 16 percent of the total, for the military; $351 billion, or 22 percent, for Social Security; $271 billion, or 17 percent, for Medicare and Medicaid, and $257 billion, or 16 percent, for interest on the Federal debt, the accumulated total of Federal borrowing.

Only $21 billion, or 1.3 percent of the total, is for foreign aid and other international activities.

The President and the Republicans have agreed that Social Security is off limits in their quest for savings, and Mr. Clinton has said that he will not tamper with Medicare, the Federal health insurance program for people who are elderly or disabled.

That means that a large share of the cuts must come from domestic

See BUDGET, p. 11

WELFARE REFORM

Florida Times-Union; 1-26-95

New system based on work and responsibility

In response to the Dec. 31 editorial titled "From the left," I would like to correct several glaring inaccuracies and outline the true goals of the Clinton administration's vision for welfare reform.

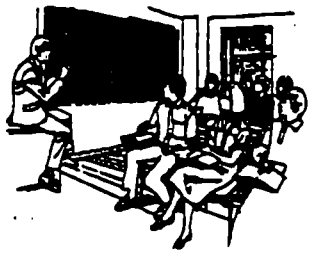
In 1988, Bill Clinton teamed up with members of Congress and fellow governors to pass the Family Support Act, which made it clear that welfare recipients must work.

Last year, we presented a bold plan to replace the old welfare system with a new one based on work and responsibility. Our approach ensures that welfare serves as a hand up, not a handout.

The incorrect charges contained in the editorial suggest a misunderstanding of our proposal's fundamental goals and provisions.

The editorial claimed that we want to see welfare recipients move onto "the government payroll." Quite the contrary. Our primary goal is to move welfare recipients into private sector jobs.

To reinforce and reward work, our approach is based on a simple



compact: Job training, high school equivalency diploma classes and placement services will be provided to help people leave welfare as soon as possible, while a strict two-year time limit will ensure that everyone who can work does work.

Under our approach, work is the bottom line: People must earn paychecks, not welfare checks.

Personal responsibility is at the core of our approach to welfare reform. The president's approach includes a major commitment to help communities promote abstinence among teenagers and prevent teenage pregnancy.

It sends a powerful message that both parents must provide for a child, because we have proposed strict requirements for paternity establishment and a tough child-support enforcement system, something lacking in the Contract with America.

Our proposal ends the practice of allowing teenage parents to set up their own households through welfare. Instead, we would require teenage parents to live at home, identify the child's father, stay in school, prepare for work and, ultimately, go to work in order to receive support.

The American people want a welfare system that honors their values and helps people who play by the rules. The Clinton administration is committed to achieving this vision. That is the real story.

DONNA E. SHALALA,
secretary,
Health and Human Services,
Washington, D.C.

Wall St. Jrnl.; 2-3-95 p. 1

Washington Wire

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

NEW DETAILS EMERGE on Gingrich's controversial book deal.

Though the House speaker gave up a $4.5 million advance, other funds will be advanced to pay overhead, possibly including his agent's $675,000 fee, Lynn Chu, the agent says. Gingrich tentatively picks Andrew Ferguson, a Washingtonian magazine writer and former Bush speech-writer, to help write the book.

Chu says she herself crafted the original book proposal from a chapter in the textbook—itself taken from a Gingrich speech—that was used for Gingrich's televised college course. "Newt never saw it," says Jeff Eisenach of the foundation that sponsors Gingrich's class. The contract is "pretty much" completed, says Chu, and will go to the House Ethics Committee for review.

Common Cause, which initiated an ethics complaint against former Speaker Wright, wants the committee to retain an "outside ethics adviser."

CLINTON'S BUDGET next Monday aims mainly to score political points.

The president spares Medicare, agriculture and veterans' benefits from major spending cuts, hoping to embarrass Republicans if they do otherwise. He seeks to save a few billion by clamping down on abuse of the earned-income tax credit. Despite widespread rumors to the contrary, he won't ask to reduce the corporate write-off of advertising expenses.

Among proposed cuts will be $2 billion in spending reductions by the Transportation Department, including mass-transit subsidies. The FCC sends Congress its own list of 35 restructuring ideas, including auctioning off 1-800 phone numbers. The newly influential Cato Institute on Monday will call for wiping out eight Cabinet agencies, including Veterans, Energy and Education.

DEFENDERS scramble to counter a likely GOP assault on Medicare costs.

"We're all seeing members of Congress," says Michael Bromberg, who represents for-profit hospitals. Industry speculation is the GOP may propose $100 billion to $120 billion in Medicare savings over five years; others say it could be twice that. The American Association of Retired People worries about a possible proposal to give people vouchers to buy private insurance rather than use Medicare.

Doctors are split. Some think the AMA should oppose Medicare changes; others back some steps to limit the program's huge cost. The White House will try to make Medicare politically unassailable. But GOP reform efforts over time "are a given," one GOP staffer says.

The AARP opens an office in Columbus, Ohio, the home of House Budget Chairman Kasich.

LINGERING QUESTIONS about Commerce Secretary Brown's finances make the White House nervous. Officials consider State Department aide Thomas Donilon, instead of Brown, to run Clinton's re-election campaign. Though 22 House Republicans call for Brown's dismissal, allies figure he would benefit from hearings where he could defend himself.

CHARITY BEGINS at home for former New York Gov. Cuomo, who plans to donate proceeds from his Super Bowl TV ad for Doritos to three groups under the umbrella of HELP, a homeless aid organization. All are founded or headed by his son, Andrew, his daughter, Maria, or his wife, Matilda.

NONLETHAL WEAPONS are approved for the U.S. evacuation of U.N. forces from Somalia to counter tactics such as using crowds of women to hide gunmen. U.S. forces now may use "smurf grenades" that knock down people without permanently hurting them. But the Joint Staff bars lasers that temporarily blind foes.

COOL ON SUMMERS: Treasury Under Secretary Larry Summers's chances of eventually becoming World Bank president may be hurt by congressional attempts to make him a scapegoat for failing to act earlier to avert the Mexico crisis.

TENSIONS FLARE between militant GOP freshmen and Republican leaders.

House first-terners publicly blast Clinton's Mexican-aid package, which Gingrich endorsed. But the GOP leadership dismisses their complaints as political grandstanding, vowing to keep any legislative challenge from reaching the House floor. After freshman-led intransigence nearly sunk the balanced-budget House bill, the 73-member class backs a more united GOP course.

House newcomers show their clout. About 20 meet twice weekly to forge proposals on reducing government. The freshmen and like-minded second-termers add their muscle to Budget Chairman Kasich's to ensure that House Republicans come up with enough cuts to offset $3.2 billion in emergency defense spending. Some first-termers press to make the cuts from defense instead of domestic programs.

Newcomer Rep. Brownback of Kansas backs big budget cuts, but says he gets constituent calls saying, "Yes, we need to cut, but don't cut my program."

MINOR MEMOS: New Illinois GOP Rep. Flanagan strikes up a friendship with the man he beat, Rep. Rostenkowski, and even moves into Rosty's old Washington apartment. . . . Regardie's magazine prints a letter from Minnesota Sen. Wellstone's office rejecting a complimentary subscription "due to the senator's support of the gift reform legislation." . . . Kemp, poking fun at himself, quips, "What follows a Jack Kemp speech about currency? Another Jack Kemp speech about currency."

—RONALD G. SHAFER

Shalala lists 10 resolutions for a healthier '95

By Donna E. Shalala
Special to the Washington Post

WASHINGTON — The great baseball manager Casey Stengel quipped upon turning 80, "If I had known I was going to live this long, I would have taken better care of myself."

As we begin a new year, here are 10 resolutions we can make to take better care of ourselves and cut down on health costs at the same time.

1. Eat healthy. Recent studies show a significant increase in the number of obese Americans in the past decade. Most Americans don't know that ordinary foods like a blueberry muffin, a small serving of unbuttered popcorn or a packet of salad dressing each could contain about 30 grams of fat. That's almost half of what most people should eat in a day. To help cut your fat consumption and calories, resolve to eat at least five servings of fruits and vegetables every day and read the new FDA-approved food labels when you go shopping.

For more information, contact the Department of Agriculture Food and Nutrition Information Center at (301) 504-5719.

2. Get off the couch. Poor diet and lack of exercise are associated with at least 300,000 deaths a year in the United States, so let's resolve to exercise more than our fingers on the TV remote control in 1995. For significant health benefits, adults should strive for a total of 20 to 30 minutes of moderate physical activity like walking, swimming, biking or gardening most days of the week.

For more information, contact the President's Council on Physical Fitness and Sports at (202) 272-2132.

3. Don't throw away your life to drugs. Illicit drug use leads to as many as 20,000 deaths annually from overdose, drug-related suicide, homicide, motor-vehicle injury, HIV infection and such diseases as pneumonia. Recent studies show that illicit-drug use, particularly marijuana, is on the rise among teen-agers. Anyone with a problem should resolve to get help, and all of us have a responsibility to send clear, consistent anti-drug messages to our young people.

For more information, contact the National Clearinghouse for Alcohol and Drug Information at (800) 729-6686.

4. Don't play a game of chicken. Don't take unnecessary chances. Wear your seat belt. Use your bike helmet. And avoid unsafe sex. This message is for everybody, but especially for America's youth. Each year, more than 10,000 teenagers get infected with the virus that causes AIDS, more than 1 million teenagers get pregnant, and more than 12 million people (two-thirds of them under age 25) get sexually transmitted diseases. Let's resolve to teach our young people that abstinence is the best and safest course.

For more information, contact the Centers for Disease Control and Prevention National AIDS Hotline at (800) 342-AIDS or the National STD Hotline at (800) 227-8922.



More than 18 million Americans are alcohol-dependent, and 44 percent of college students report binge drinking.

5. Take the key and lock it up. In 1992 there were a total of 37,776 firearm-related deaths, including 17,799 homicides, 18,169 suicides and 1,409 unintended or "accidental" deaths. Many of these deaths could have been prevented by one simple resolution: to lock all weapons and ammunition out of reach of everyone (in particular, children and teenagers) except those licensed to use them.

For more information, contact the CDC National Center for Injury Prevention and Control at (404) 488-4677.

6. Take five, reduce your stress and get some rest. Americans are working longer hours and getting less sleep than ever before, and working women in particular are worn out and exhausted. In a 1994 Labor Department survey, 62 percent of working women with young children reported that "too much stress" was a serious problem in their lives. Stress was also cited as the No. 1 problem for 74 percent of highly educated, high-salaried women in their 40s who hold professional, managerial or executive jobs. Resolve to balance work and family life and find time for leisure in 1995. Your body and mind will thank you for it.

For more information, contact the National Institute of Mental Health at (301) 443-4513.

7. Be wise, immunize. Bacteria and viruses (excluding the one that causes AIDS) cause 90,000 deaths each year. That's why we must resolve to prevent disease by making sure everyone in our entire family has had their shots. This is especially important for our children; their most important vaccines must be completed by age 2. But adults need to keep up their immunizations too. Ask your doctor.

For more information, contact the CDC National Immunization Information Hotline at (800) 232-2522.

8. Get a mammogram; it could save your life. The breast-cancer rate has been rising in this country for 20 years. A mammogram can find breast cancer that is too small to be detected by touch. Studies show that if you are age 50 or over, getting a mammogram every one to two years could save your life. Make sure the facility you choose is certified by the Food and Drug Administration.

For more information, contact the Cancer Information Service at (800) 422-6237.

9. Stop blowing smoke. Your life depends on it. Each year, tobacco causes nearly a third of all cancer deaths, 21 percent of all cardiovascular deaths, and 400,000 premature deaths overall. You can quit, either cold turkey or by getting help from a doctor, counseling or a support group.

For more information, contact the CDC Office on Smoking and Health at (800) CDC-1311.

10. Don't be the "death" of the party. Alcohol misuse causes 100,000 deaths each year; it is a factor in 40 to 50 percent of motor-vehicle fatalities, 68 percent of manslaughter cases and approximately 60 to 70 percent of domestic-violence cases.

More than 18 million Americans are alcohol-dependent, and 44 percent of college students report binge drinking. If you're one of them, resolve to get help from your physician and/or community resources such as Alcoholics Anonymous. Let's resolve, if we drink, to be moderate for our health's sake, and to find a non-drinking driver for safety's sake.

For more information, contact the National Clearinghouse for Alcohol and Drug Information at (800) 729-6686. For additional general information on staying healthy in 1995 and beyond, contact the National Health Information Center at (800) 336-4797.

N.Y. Times; 2-3-95

A Matter Of Balance

Henry W. Foster Jr.

By PHILIP J. HILTS A14
Special to The New York Times

WASHINGTON, Feb. 2 — President Clinton's choice to replace Dr. Joycelyn Elders, whom he dismissed last month as Surgeon General, is Dr. Henry W. Foster Jr., 61, acting director of Meharry Medical College in Nashville.

Man in the News

He is also an obstetrician who has specialized in the prevention of teen-age pregnancy and infant mortality.

When President Clinton introduced his new nominee in the Oval Office today, one of the first things Dr. Foster was asked was:

Did he have license to be as outspoken as Dr. Elders was or had the President asked him not to talk about certain subjects?

"No comment," Dr. Foster, who has a reputation for being practical and tactful, said with a smile.

Dr. Elders was dismissed after she suggested during questioning after a speech that, as tactic to avoid pregnancy, schoolchildren might have teacher-led discussions on masturbation. She had earlier been criticized for suggesting that condoms be made available in some schools.

Dr. James E. Word, a vice president of Baptist Hospital in Nashville, said in an interview today, that his colleague "walks with two feet on the ground."

"His head is not bumping the clouds," Dr. Word said. "In the job of Surgeon General you have to be able to voice your views and stay in the mainstream at the same time. Otherwise you'll lose your pulpit. Hank Foster can do that. He's a person in a class with Dr. Koop."

Dr. C. Everett Koop served as Surgeon General under President Ronald Reagan.

Dr. Foster is regarded as a conservative politically, but although his nomination was praised by mainstream medical groups like the American Medical Association and the American College of Obstetricians and Gynecologists, ultra-conservative groups criticized the choice. The nomination requires Senate confirmation.

The program in Tennessee for which Dr. Foster is best known, called I Have a Future, teaches teenagers in two Nashville housing projects to delay sex and childbearing as a crucial element in developing successful lives. The program, which Dr. Foster started in 1987 when he was head of the obstetrics and gynecology department at Meharry, mixes many services — tutoring, job training, family life classes, medical services — into an after-school program that serves about 150 children a week.



Associated Press

Before introducing Dr. Henry W. Foster Jr. yesterday as the nominee for Surgeon General, President Clinton positioned Dr. Foster's wife, St. Clair, in the Oval Office of the White House.

There have been few pregnancies among the participants in the program, and many continue their educations after high school, said Lorraine Williams Greene, the current director of the program.

At today's news conference, Dr. Foster said that the I Have a Future model is being copied elsewhere. President Clinton said today that he wanted Dr. Foster to lead a national campaign against teen-age pregnancy.

But even as Dr. Foster was being introduced, some conservatives said they believed that Dr. Foster was not conservative enough.

Gary Bauer, a former Bush White House official and now head of the Family Research Council, said in a statement today, "Dr. Foster appears to be Elders-Lite. He may not have her methods, but he has supported the same failed policies. Dr. Foster has long been a supporter of contraceptive-based sex education and distribution programs."

When Speaker Newt Gingrich, Republican of Georgia, was asked today about the nomination, he said that he would not comment specifically on Dr. Foster but that Americans would like to have "a Surgeon General who understands that salvation matters, that the human spirit is more important than mechanical knowledge and that there should be some kind of commitment to dealing with the entire human being, including the spiritual half of the human being, and not just to dealing with humans as biological organisms."

President Clinton invited Senator Bill Frist, a Tennessee Republican who is also a doctor, to take part in the Oval Office ceremony.

"I'm confident that thoughtful conservatives will have the same view of Dr. Foster as Senator Frist does when they have the same opportunity to review his whole record," Mr. Clinton said.

Mr. Bauer vowed a fierce fight in Congress against the nominee, pointing to Dr. Foster's lengthy service on the board of Planned Parenthood in Tennessee as a sign that Dr. Foster was an "abortion activist."

But Republican leaders in Congress today avoided criticizing Dr. Foster, and said they looked forward to talking to him to find out more about his views.

Senator Bob Dole of Kansas, the majority leader, said that the appointment of Dr. Foster sounded like a good one, "but I haven't talked to him."

Late in the day, Mr. Gingrich and other Republican leaders in the House, Representative Thomas J. Bliley Jr. of Virginia and Representative Michael Bilirakis of Florida issued a statement that did not comment on Dr. Foster but suggested that the job of Surgeon General should be merged with that of Assistant Secretary for Health.

Such a move would eliminate the bully pulpit first used by Dr. Koop to press forward on public health issues and return the post to its pre-Reagan status in which the largely symbolic job of Surgeon General was handled by the person in charge of such programs as the Public Health Service, the Centers for Disease Control, the Food and Drug Administration, and the National Institutes of Health.

Dr. Foster, who became the acting director at Meharry last year when Dr. David Satcher left to become director of the Centers for Disease Control and Prevention in Atlanta, was born in Pine Bluff, Ark. on Sept. 8, 1933, and earned his bachelor's degree at Morehouse College in 1954. He earned his medical degree from the University of Arkansas in 1958.

His internship was at Detroit Receiving Hospital, and then he served two years as a medical officer in the United States Air Force. After leaving the Air Force, he had a one-year residency at Malden Hospital in Malden, Mass., before joining the staff at Meharry Medical College.

He is married to the former St. Clair Anderson, who was a critical-care nurse until her retirement. They have two grown children, Myrna, a middle-school science teacher in McLean, Va., and Wendell, the research director of Walt Disney Company television in California.

Dr. Eugene Fowinkle, a vice chancellor at Vanderbilt University and former Tennessee health commissioner said he believed that Dr. Foster would find the conservative and contentious climate in Washington familiar.

"He has been through this before," Dr. Fowinkle said. "He is bold enough to speak the truth, has a very effective sense of humor, and has great respect for different opinions.

"He'll be fine."

Gynecologist Is Chosen To Be Surgeon General

FOSTER, from p. 1

Gary Bauer, president of the conservative Family Research Council, called Foster "Elders Lite," and said he hoped senators would "go to the mat" in opposing his nomination.

Republicans yesterday showed uncertainty about whether to follow that advice.

Asked at a news conference whether he approved of Foster's appointment, Senate Majority Leader Robert J. Dole (R-Kan.) said he "sounded like a good replacement" for Elders. Told by a reporter that Foster is a supporter of abortion services, Dole grinned and said, "Well, I think I'll leave." Then he did.

Shortly before noon, Eric Ueland, spokesman for the Senate Republican Policy Committee, an arm of the Senate GOP, spoke favorably of Foster. He argued that Foster's work in building a sense of personal responsibility among teenagers, along with a focus on abstinence, makes him a better candidate than Elders, and noted that those views "resonate fairly well with Republicans and a broad majority of Americans."

Just an hour later, though, the GOP line was different.

"This whole question of Planned Parenthood and the whole abortion question is going to demand a little more investigation than I had previously been aware of," Ueland said. "The hearings are going to have to delve into this pretty aggressively." He concluded: "It's just an open question mark at this point."

At the White House yesterday, spokesman Michael McCurry said he didn't know if Foster had ever performed abortions in his career as an obstetrician-gynecologist, but said he would find out. Later, a White House official said the question would be answered at Foster's Senate confirmation hearing.

Foster, 61, is a former acting president of Meharry Medical College in Nashville, one of four historically black medical schools in the United States. Like Elders, he is an Arkansas native. While at Meharry, he founded the "I Have a Future" program, which seeks to limit teen pregnancies by encouraging young people to delay sexual activity, and to develop job skills and self-esteem.

At the Oval Office yesterday, Foster said he intends to make a campaign against teenage pregnancy a theme of his term as surgeon general.

Clinton administration officials said yesterday the most important difference between Elders and Foster is stylistic. While Elders seemed to deliberately provoke, they said, Foster's approach favors understatement and consensus-building. Elders herself was enthusiastic. "I think he'll make an excellent surgeon general. He's wonderful!" she said in an interview.

Elders said she knows that conservatives intend to confront Foster with "the same kinds of things that I went through. And I'm sorry that he has to go through that, because he's just an excellent, excellent candidate."

The American Medical Association came out strongly in support of Foster's nomination. "Dr. Foster's involvement in Meharry Medical College's 'I Have a Future' program has made him acutely aware of and personally concerned about the challenges facing our nation in the areas of teenage pregnancy, infant mortality, sexually transmitted diseases, drug and alcohol abuse, homicide and other forms of violence," the medical group said in a statement.

The surgeon general, who reports to the Health and Human Services secretary, is relatively powerless within the HHS hierarchy. There is little responsibility for running federal programs, outside of directing the activities of the commissioned officer corps of the Public Health Service. Instead, the surgeon general's chief power lies in the bully pulpit.

President Ronald Reagan's surgeon general, C. Everett Koop, served from 1981 to 1989 and became a national celebrity with his no-nonsense wake-up calls to Americans about the growing AIDS epidemic and the health risks of smoking.

David Satcher, head of the Centers for Disease Control and Prevention in Atlanta and Foster's predecessor as head of Meharry, predicted that Foster will excel if he wins confirmation.

"He's a person who has had a lot of very valuable experiences and I think he brings that to bear when dealing with difficult issues." Just as important, Satcher said, Foster has the temperament that will allow him to deal in controversial issues without making himself the object of controversy: "He's a very pleasant person. He doesn't take himself too seriously but he takes his work very seriously. He's a great person for joking."

Staff researcher Barbara J. Saffir contributed to this report.

BIOGRAPHY

Henry W. "Hank" Foster Jr., 61

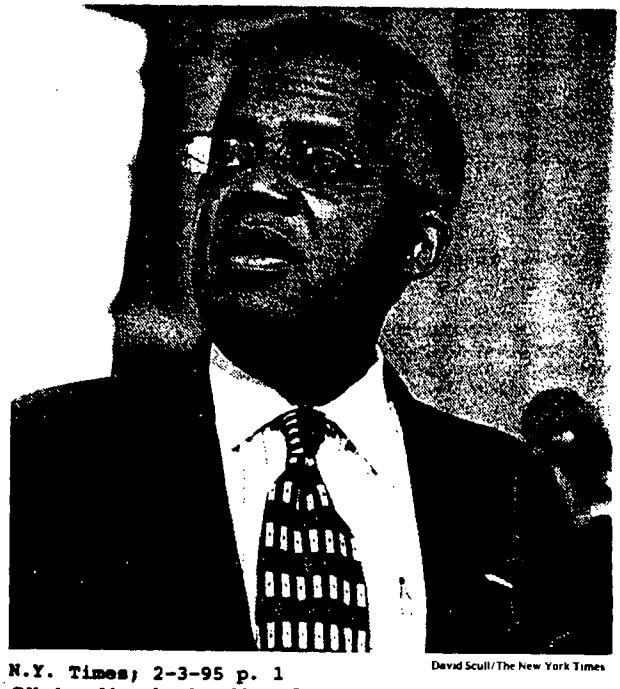
- **BORN:** Sept. 8, 1933, in Pine Bluff, Ark., to Henry W. Foster and Ivie Hill Watson.
- **FAMILY:** Married to St. Clair Anderson. Has one son, Wendell, research director of a Walt Disney Co. television unit in Burbank, Calif., and one daughter, Myrna, a middle-school teacher in McLean, Va.
- **EDUCATION:** Graduated from Morehouse College, Atlanta, with a bachelor's degree in 1954. Received his MD from the University of Arkansas in 1958.
- **MEDICAL CAREER:** Air Force, medical officer, 1959-61. Malden Hospital, Malden, Mass., surgical resident, 1962. Hubbard Hospital, Nashville, obstetrics/gynecology resident physician, 1962-65. J.A. Andrew Memorial Hospital at Tuskegee Institute, Tuskegee, Ala., chief of ob/gyn, 1965-73. Meharry Medical College, Nashville: chairman, ob/gyn, 1973-90; dean, School of Medicine and vice president for health affairs, 1990-94; acting president, January to July 1994. On sabbatical from Meharry, 1994-95, as health policy fellow at Association of Academic Health Centers.

SOURCES: Who's Who Among Black Americans, Department of Health and Human Services



BY LARRY MORRIS—THE WASHINGTON POST

President Clinton enjoys a moment in the Oval Office while introducing Henry Foster Jr., his choice for surgeon general. At right is Foster's wife, St. Clair.



David Scull/The New York Times

N.Y. Times; 2-3-95 p. 1

Clinton Nominates New Surgeon General

Dr. Henry W. Foster Jr., 61, acting director of Meharry Medical College in Nashville, is President Clinton's choice to be Surgeon General. Page A14.

Wash. Times; 2-3-95 p. 1

Clinton nominee has done abortions

Surgeon general pick controversial

By Paul Bedard
THE WASHINGTON TIMES

President Clinton yesterday chose medical educator Henry W. Foster Jr. to be surgeon general, a nomination that sparked controversy when the White House confirmed that his medical practice included performing abortions.

"His practice included a whole range of reproductive activities, including abortion," a senior administration official said last night.

The White House anticipates pro-life protests against the appointment, the official said, adding that any questions about the medical practice of the obstetrician and gynecologist should wait for his Senate confirmation hearings.

In addition to his medical practice, Dr. Foster came under attack yesterday for having sponsored a program that distributes condoms to teen-agers.

Even before Mr. Clinton announced his selection of the former Planned Parenthood board member, opposition groups began mounting a campaign to label Dr. Foster, 61, as "Elders Lite" — a reference to former Surgeon General Joycelyn Elders. She was fired in December after saying it might be a good idea to teach schoolchildren about masturbation.

The Family Research Council, headed by former Reagan aide Gary Bauer, distributed documents claiming that Dr. Foster supported a Planned Parenthood spinoff group that advocates explaining masturbation to kindergartners, discussing orgasm with 12-year-olds, and teaching that homosexual and heterosexual family lifestyles are equal.

A Planned Parenthood official said the group's board of directors, on which Dr. Foster served from 1978 to 1981, backed those policies advocated by the Sex Information and Education Council of the U.S.

Mr. Clinton, who supports abortion, asked that "thoughtful conservatives" give a fair hearing to his choice for surgeon general.

"I thank him for his willingness to serve to try to make a difference in the health care of the people of this country, and especially to try to make a difference in the future of the people of this country," said Mr. Clinton.

Dr. Foster, the former acting president and dean of Meharry Medical College in Nashville, Tenn., said he would focus on cutting the teen pregnancy rate, now at 2,800 a day.



Photo by Cliff Owen The Washington Times

President Clinton applauds his nominee for surgeon general, Dr. Henry W. Foster Jr., during an Oval Office news conference yesterday.

DR. HENRY W. FOSTER
Nominee for surgeon general

Born: Sept. 8, 1933

Education: B.S., Morehouse College, 1954; M.D., University of Arkansas, 1958.

Experience: Medical officer, U.S. Air Force, 1959-61; chief of obstetrics-gynecology, John A. Andrew Memorial Hospital, Tuskegee University, 1965-present; professor and chairman, department of obstetrics and gynecology, Meharry Medical College, 1973-90; member of the national board of directors of Planned Parenthood, 1978-81; member of the national advisory council of Planned Parenthood, 1981-95; dean of the School of Medicine and vice president for health services at Meharry, 1990-93; acting president of Meharry, 1993-94; health policy fellow, Association of Academic Health Centers, Washington, 1994-present.

Family: Wife, St. Clair. Two grown children, a son and a daughter.

Source: Associated Press, Who's Who Among Black Americans

The Washington Times

"We have the highest teen pregnancy rate in the Western world — twice that of the nearest Western nation," he said at an Oval Office ceremony. "Be assured, this is a problem that cuts across all socio-economic strata. There are, however, demonstrated ways that this problem can be mitigated."

Dr. Foster has been on Planned Parenthood's advisory board since 1981.

Since 1989, he has served on the National Leadership Committee to Keep Abortion Safe and Legal — a Planned Parenthood subpanel that includes former Rep. Bella Abzug, TV producer Diane English, cellist Yo Yo Ma, and TV chef Julia Child as members, among others.

"Dr. Foster appears to be 'Elders Lite.' He may not have her methods, but he has supported the same failed policies," said Mr. Bauer.

Planned Parenthood spokeswoman Mona Miller said Mr. Bauer's efforts are "really a smear."

The White House did not make Dr. Foster available for interviews, but a senior administration official said: "This guy is solid. We are an administration that believes abortion should be safe and rare. His thing is abstinence."

The White House and the Department of Health and Human Services, where the surgeon general works, mounted their own campaign to win support for the nominee, who has been scholar-in-residence at the Association of Academic Health Centers here since July.

Several officials noted that Dr. Foster was a "Points of Light" winner during the Bush administration and is supported by several major medical groups and colleges.

They also avoid noting Dr. Foster's work with Planned Parenthood: Neither Mr. Clinton nor HHS nor the Tennessee doctor's official biography mentioned his 17-year association with the group.

White House spokesman Michael McCurry said that question should be asked during nomination hearings now being scheduled before the Senate Labor and Human Resources Committee, chaired by Sen. Nancy Landon Kassebaum, Kansas Republican.

Mr. McCurry also condemned efforts by conservatives to raise Dr. Foster's link to Planned Parenthood and that group's pro-choice policies. "It would be unfortunate if issues extraneous to the consideration of a nominee to be surgeon general were raised," he said.

Mr. Clinton highlighted Dr. Foster's efforts to curb teen-age pregnancy and the "I Have a Future Program" the doctor started in Nashville.

The program educates children in two public housing projects about "personal health, human sexuality, drug and alcohol abuse, homicide and violence reduction, and other factors which may place adolescents at risk," according to a program brochure.

The program also advocated condom distribution to teens.

"I want Dr. Foster to use what he's learned to help America attack the epidemic of teen pregnancies and unmarried pregnancies," said the president.

Dr. Foster said: "We must assure healthier starts for our children."

He also announced plans to focus on AIDS and smoking.

While the president said there is "no national policy" on condom distribution, his administration a year ago introduced an $800,000 condom advertising campaign

At least two Republicans on the Senate Labor and Human Resources Committee raised concerns about Dr. Foster, who won the backing of freshman Sen. Bill Frist, Tennessee Republican.

Sens. Spencer Abraham of Michigan and Daniel R. Coats of Indiana said they are concerned about Dr. Foster's program to distribute condoms and his association with Planned Parenthood.

"It is one thing to be an advocate for a major anti-smoking campaign. It is quite another to be an advocate for an 'every child must have a condom' campaign," Mr. Coats said.

Pro-life groups have been calling for the appointment of a cancer or heart surgeon as a replacement for Dr. Elders.

While conservatives were raising questions about Dr. Foster, the liberals weighed in yesterday with objections of their own.

Steve Michael of ACT UP, the AIDS activist group, said: "We wanted an eagle and Clinton gave us an ostrich with his head in the sand about HIV and AIDS policy."

Balt. Sun; 2-2-95

Tenn. man is choice for surgeon general

WASHINGTON — Dr. Henry Foster Jr., a medical school leader known for fighting teen-age pregnancy in Tennessee, is President Clinton's choice for surgeon general, officials confirmed yesterday.

Dr. Foster, 61, former acting president of Meharry Medical College in Nashville, Tenn., will replace Dr. M. Jocelyn Elders, fired in December after saying schoolchildren should be taught about masturbation.

White House aides, speaking on condition of anonymity, said the announcement was scheduled for today. They said Dr. Foster would lead a national campaign to combat teen-age pregnancy.

Friends and associates predicted that Dr. Foster would not be as provocative as Dr. Elders.

Balt. Sun; 2-3-95

Clinton nominates Tenn. medical educator as surgeon general

Reuters 18A

WASHINGTON — President Clinton yesterday nominated Dr. Henry Foster Jr., a Tennessee-based physician active in the fight against teen pregnancy, to replace Dr. M. Joycelyn Elders as surgeon general.

Mr. Clinton said he wants Dr. Foster to help lead a national campaign aimed at reducing teen pregnancies in the United States.

Mr. Clinton made the announcement in an Oval Office ceremony where he immediately faced questions as to whether he believed that he could persuade the Republican-controlled Senate to confirm the 61-year-old obstetrician-gynecologist.

Some conservatives signaled opposition to Dr. Foster, saying he has been a supporter of contraceptive-based sex education and is in favor of abortion through his membership on the board of directors of the Tennessee Planned Parenthood organization, which advocates abortion rights.

But Mr. Clinton pointed to the presence of Tennessee Republican Sen. Bill Frist, a doctor by training, at the ceremony to underscore bipartisan support for Dr. Foster, a native of Mr. Clinton's home state of Arkansas who has worked the past 21 years at Meharry Medical College in Nashville, Tenn.

"I'm confident that thoughtful conservatives will have the same view of Dr. Foster as Senator Frist does when they have the same opportunity to review his whole record," Mr. Clinton said.

He stressed that his administration's policy is to have appropriate sex education policies in school and to encourage abstinence among young people. He said that the question of contraception use should be resolved at the local level.

"There is no national policy on that, and there will not be," Mr. Clinton said.

Dr. Foster would fill the vacancy left by Dr. Elders, who was fired in December amid a public furor over her comment that children should be taught about masturbation in school.

Republican Sen. Nancy Landon Kassebaum of Kansas said she would schedule confirmation hearings at the earliest possible date before her Labor and Human Resources Committee.

The American Medical Association endorsed Dr. Foster, as did Dr. Louis W. Sullivan, who served as secretary of health and human services in the Bush administration.

USA Today; 2-3-95

Surgeon general nominee could face rough road

By Richard Benedetto
USA TODAY 4A

President Clinton's naming of Nashville gynecologist and medical educator Henry Foster on Thursday to be surgeon general could face a bumpy road to approval in the Republican-controlled Senate.

While his nomination of Robert Rubin as Treasury secretary sailed through, conservatives oppose Foster.

Gary Bauer of the Family Research Council says Foster supports contraceptive-based sex education and is a proponent of abortion rights.

And while Clinton is confident Foster will win bipartisan approval, the nomination is likely to rekindle old battles over government's role in sex education and abortion.

"Clinton has shown himself as the most pro-condom, pro-abortion president in U.S. history," Bauer says.

Brushing off the charge, Clinton pointed to Foster's endorsement by Sen. Bill Frist, R-Tenn., a heart surgeon, to show bipartisan support. Bush administration HHS secretary Louis Sullivan also backs him.

"I'm confident that thoughtful conservatives will have the same view of Dr. Foster ... when they have the same opportunity to review his whole record," Clinton said.

Foster "has won hearts and minds for his innovation and his dedication to saving the lives of young people."

Senate Majority Leader Bob Dole said Foster "sounded like a good appointment."

Asked if Foster's past support of distributing condoms in schools could hurt the nomination, Clinton made it clear administration policy is that the question of contraceptive use should be decided locally.

"There is no national policy on that, and there will not be," Clinton asserted.

Foster, 61, will succeed Joycelyn Elders, fired by Clinton in December after a string of controversial remarks on masturbation, condoms in schools and drug legalization.

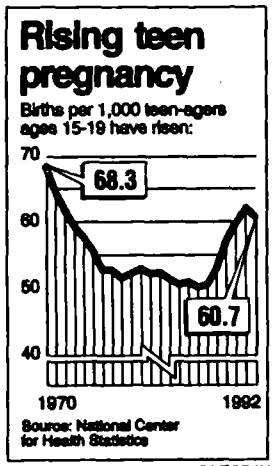
Asked if he will be as outspoken as Elders, Foster drew a laugh from Clinton when he answered, "No comment."

Foster is charged with leading a national effort to combat what has become a U.S. epidemic: 2,800 teen pregnancies a day.



By Tim Dillon, USA TODAY

NOMINATED: President Clinton with Nashville gynecologist and medical educator Henry Foster at the White House Thursday.



By Marty Baumann, USA TODAY

Foster, acting president of Meharry Medical College, developed and directed the "I Have A Future" program aimed at cutting teen pregnancy rates in Nashville.

The 8-year-old program, honored in 1991 as one of President Bush's "Thousand Points of Light," stresses sex abstinence for teens.

It operates out of two public housing projects and is designed to bolster self-esteem and develop job skills among at-risk youths.



ASSOCIATED PRESS

Dr. Henry Foster Jr.

Wash. Times; 2-3-95

GOP presses Magaziner probe

Lawmakers cite possible health care conflict

By Paul Bedard
THE WASHINGTON TIMES

All Republicans on the House Judicary Committee yesterday demanded that Attorney General Janet Reno appoint a special counsel to investigate charges that the White House health care czar lied to a federal judge.

The members — the majority of the panel — said a special counsel is needed to probe Ira Magaziner's conduct in a suit targeting first lady Hillary Rodham Clinton's now-defunct health reform task force in order to clear up conflict-of-interest concerns.

In a four-page letter to Miss Reno, panel Chairman Henry J. Hyde of Illinois and the committee's 19 other Republican members said the Justice Department and U.S. Attorney Eric Holder, who now is investigating the charges of contempt, played a large a role in defending Mrs. Clinton in the suit and lacked impartiality.

Mr. Holder's office "vigorously defended the interests of the White House and its officials, including Mr. Magaziner, in the lawsuit," the Republicans said.

"Second, the Department of Justice has a political conflict" because Justice lawyers were appointed to defend the first lady in the suit filed by the Association of American Physicians and Surgeons Inc.

Before dismissing the suit, U.S. District Court Judge Royce C. Lamberth charged that Mr. Magaziner provided "misleading" statements to the court about the makeup and costs of the 600-member group formed at the White House to draw up Mr. Clinton's failed 1994 health reform legislative package.

The suit charged that the White House was illegally meeting in secret to draw up the health care plan. It was eventually declared "moot" because the White House turned over thousands of pages of secret documents sought by the doctors group.

Judge Lamberth referred his concerns to Mr. Holder's office, which is investigating. A spokesman said the case hasn't reached the stage where a special counsel is necessary.

Republican members of the House Appropriations Committee, the House Government Reform and Oversight Committee and the Senate Judiciary Committee also have backed the appointment of a special counsel to probe the charges that Mr. Magaziner lied to Judge Lamberth at the start of the nearly 2-year-old suit.

Mr. Hyde said in the letter that Mr. Magaziner "may have engaged in contemptuous and other potentially criminal conduct."

The Republicans said the special counsel could be appointed under the Ethics in Government Act. Mr. Hyde said Section 591(c) would apply because it approves appointing a special counsel when the attorney general determines a "political conflict of interest."

The 20 Republicans said that "we believe such a conflict exists."



Ira Magaziner

THE GREEN SHEET

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PERRY THORSVIK/SUN STAFF PHOTOS



Executive Director Robert B. Murray (above) addresses audience on last year's results from hospital rate-setting by Maryland's Health Services Cost Review Commission.

Balt. Sun; 2-2-95

HOSPITALS POST RECORD PROFITS

Average cost rise less than 3%; critics ask more efficiency

By John Fairhall
Sun Staff Writer

Helped by a surprising dip in spending on charity care, Maryland hospitals rang up record operating profits of $167 million in 1994 and kept their average cost increases below 3 percent, state officials reported yesterday.

Although the report of low cost increases is welcome news for employers and consumers seeking relief from rising medical bills, some employers said Maryland hospitals could be even more efficient.

The average cost of a stay at one of Maryland's 51 acute-care hospitals rose to $5,601, a 2.8 percent increase that was the smallest since the state began tracking this information in 1978.

Johns Hopkins Hospital's average cost per patient admission went up 3.9 percent, while at University of Maryland Medical Center costs rose 3.3 percent.

Profits, which have been rising in recent years, reached a record level in 1994 mostly because of the 10 percent drop in charity care.

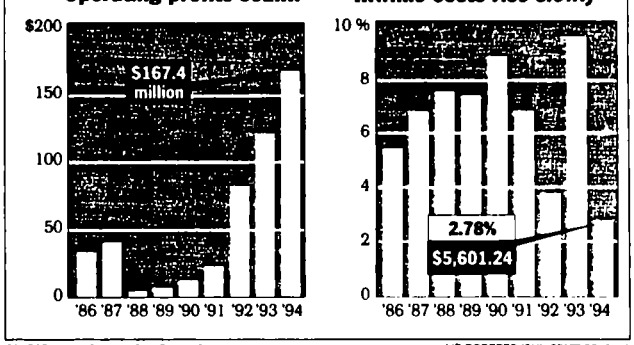
Charity care, which state law requires hospitals to provide to people who can't afford to pay, dropped from $439 million in 1993 to $396 million. State and hospital officials said one reason for the decrease might be stronger efforts by hospitals to get poor people covered by Medicaid, the health insurance program paid for by the state and federal governments.

Officials of the state agency that sets hospital rates, the Health Services Cost Review Commission,

Cont'd on next page

A BANNER YEAR FOR MD.'S HOSPITALS

Maryland's hospitals have enjoyed a large increase in profits in recent years, while keeping average costs per patient below the national average.



SOURCE: Health Services Cost Review Commission

LIZ ROBERTS/SUN STAFF GRAPHIC

Wall St. Jrnl.; 2-3-95

British Government Will Help Smokers Sue

By DANA MILBANK B1
Staff Reporter of THE WALL STREET JOURNAL

LEGAL BEAT

In a potentially serious challenge to the tobacco industry, the British government has agreed to fund smokers seeking legal damages from cigarette makers.

The Legal Aid Board for England and Wales agreed to grant legal aid to 200 people with lung cancer and other smoking-related illnesses. Despite objections from the tobacco industry, the agency ruled that the smokers had "reasonable grounds for taking proceedings" against cigarette makers.

The recipients, who qualify for aid because of low incomes, could be joined by other claimants in a multiparty action, which is similar to a U.S. class action. A lawyer for the plaintiffs said the main targets will include **Philip Morris** Cos., **American Brands** Inc.'s Gallaher Tobacco and **Hanson** PLC's Imperial Tobacco.

Lawyers on both sides of the Atlantic said the ruling in Britain, where there hasn't yet been an action by smokers against tobacco makers, could shift the focus of efforts against tobacco companies to Britain. Despite years of litigation in the U.S., smokers haven't won a single payment from tobacco producers.

In the past, deep-pocketed tobacco makers have been able to defeat lawsuits largely by outlasting plaintiffs. In the 1988 Cipollone case, which went all the way to the U.S. Supreme Court, the plaintiff's lawyers eventually dropped the suit for lack of funding.

But with government financing the claims, the industry no longer has that advantage. "It should be a signal to the tobacco industry that there's a serious battle to be fought now. The fact that they're Goliath won't be that significant anymore," said Ann Ritter, a lawyer with Ness Motley Loadholt Richardson & Poole in Charleston, S.C. The firm has represented numerous plaintiffs in tobacco suits, including the Castano case in New Orleans, in which 60 law firms are seeking class-action status for a suit that focuses on smokers' addiction to nicotine. She says the U.K. ruling puts the British effort "on more even ground and probably even a step ahead" of the U.S.

The British cases haven't been filed and still could collapse. The smokers' lawyers must regularly convince the Legal Aid Board that their evidence is strong enough to continue funding. Smokers' lawyers said they were "very confident" the cases could be filed after evidence gathered over the next few months is presented to Legal Aid.

Imperial Tobacco issued a statement saying it was "surprised" by the Legal Aid decision because of the "difficulties that any smoker would face in pursuing a claim." A Gallaher spokesman and a Philip Morris spokeswoman both declined to comment.

In the U.S., publicly funded legal aid is very limited. Though the government will pay to defend the accused in criminal cases, it usually doesn't fund private lawsuits. Poor Americans can retain lawyers who work on contingency fees.

In Britain, contingency legal fees are illegal – one reason no smoking-related suits and few product liability suits have been filed – but the legal aid program is extensive. In 1993-94, the Legal Aid Board spent £1.28 billion ($2.03 billion) in civil cases, assisting about two million people. To be eligible, a Briton must have household income of under £7,060 a year and savings of less than £6,750. After meeting financial requirements, the aid applicant must convince a local committee of lawyers that there are reasonable grounds for a case. Help is commonly given in areas such as divorce, discrimination, accidents and evictions.

The Legal Aid ruling follows a three-year battle for the agency's funding by a British group, Action on Smoking and Health, which encouraged the suits. The agency had rejected the aid request in 1993.

Charles Hopkins, a lawyer with Leigh Day & Co., which represented the smokers in the Legal Aid matter, said the U.K. antitobacco efforts now have "more potential" than U.S. efforts.

The U.K. lawyers are planning a negligence claim, arguing that producers should have reduced tar and nicotine to lower risk. The lawyers say leaked papers prove that the companies were aware of cancer and nicotine addiction 30 years ago. "We're shifting it onto what the tobacco companies do and have done, not on individual smokers," Mr. Hopkins says. U.S. lawyers have argued that tobacco companies failed to warn consumers of risks. Unlike most U.S. cases, the British case will be decided by a judge and not a jury.

Stanley Rosenblatt, a Florida lawyer involved in a continuing case brought by flight attendants over secondhand smoke, says it has been more effective to concentrate on producers' "fraud and deception" than negligence. "To get caught up in the details of reduced tar or nicotine," he says, "that's playing their game."

Still, Richard Daynard, a Northeastern University law professor who heads the public-interest Tobacco Products Liability Project, says the ruling "opens a second front in the assault on the tobacco industry." He says it proves "even conservative old England recognizes the grounds for suing tobacco companies."

In the U.S., a new wave of litigation against tobacco companies began last year, though verdicts aren't expected for two years or more.

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said the 1994 hospital financial results demonstrate that the rate-setting system works well.

The officials point out that last year Maryland hospital rate increases were lower than the national average 3 percent per hospital admission and improved significantly over 1993, when state hospital costs jumped 9.6 percent, compared with 7.3 percent for the nation. For 18 of the last 19 years, Maryland "has outperformed the nation in containing hospital costs," a commission statement said.

Maryland's hospital rate-setting system is unique among the states, almost all of which let the marketplace determine hospital prices. The legislature launched the system in 1974 as a means of controlling costs, ensuring hospitals' solvency and paying for charity care — the costs of which are built into hospital rates and in that way paid for by the general public.

Although the system is supported by the hospital industry and most political leaders, it has come under increasing fire from insurers and some employers who believe regulation discourages price competition.

Many insurers and employers that self-insure would like to negotiate rates with each hospital and cut favorable deals, which the rate system prohibits. And even though the commission believes yesterday's report demonstrates the effectiveness of rate setting, these insurers and employers say the numbers are deceiving.

"As in most other state agencies trying to justify their existence and the work they do, they're playing fast and loose with statistics," said Ray Brusca, vice president for benefits at Black & Decker Corp. in Towson. "What you really have to look at is the cost per day, the raw dollars" for each patient's hospital stay.

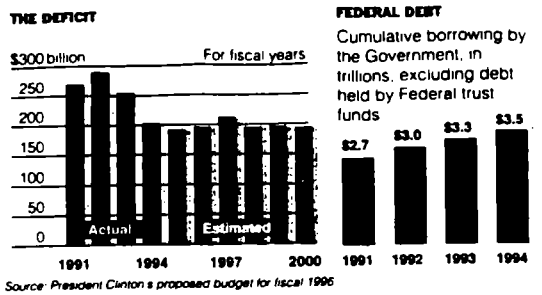
The Maryland Hospital Association says that, contrary to Mr. Brusca's assertion, comparisons of Maryland with other states show that the rate-setting system is keeping costs down. On average, a hospital stay in Maryland is $500 cheaper, or about 8 percent less, than the national average, the state association says.

But Robert H. Davis, head of a Maryland employers' group, and Geni Dunnells, executive director of the Maryland Association of Health Maintenance Organizations, say it's time to examine the effectiveness of the rate-setting system.

"I guess there's a lot in the system that's worth preserving," said Mr. Davis, executive director of the Maryland Health Care Coalition. "But I think you also need to look at whether the competitive market might even keep costs down more."

LEDGER

Borrowing by the Government

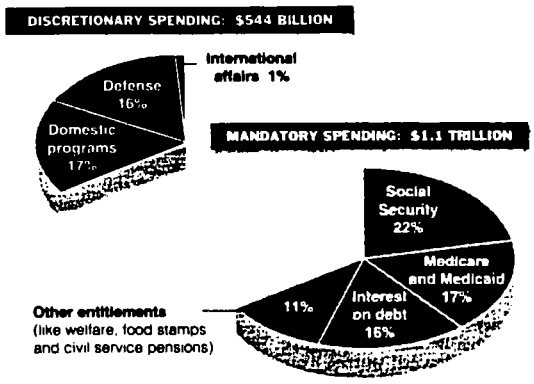


Source: President Clinton's proposed budget for fiscal 1996

BY THE NUMBERS

The President's Proposal

The budget proposal calls for $1.6 trillion in Federal spending in fiscal 1996, which begins in June. Here is the proposed breakdown.



Source: Office of Management and Budget

The New York Times



Reuters

The budget director, Alice M. Rivlin, looked at a copy of the budget for fiscal year 1996 yesterday at the Government Printing Office.

BUDGET, from p. 1

programs subject to annual appropriations: activities like law enforcement, scientific research, highway construction and environmental protection. These account for $266 billion, or 17 percent of the budget.

The remainder — $184 billion, or 11 percent of the total — is for benefit programs like welfare, food stamps, Civil Service pensions and veterans' benefits, which are automatically available to people who meet certain eligibility criteria.

In his Budget Message, Mr. Clinton says: "Now that we have brought the deficit down, we have no intention of turning back. My budget keeps us on the course of fiscal discipline by proposing $81 billion in additional deficit reduction through the year 2000."

Mr. Clinton estimates that his tax cut, including a new tax credit for children and a new deduction for college expenses, will cost the Treasury $63 billion over five years. But he says, "I am proposing enough spending cuts to provide more than twice as much in budget savings — $144 billion — as the tax cuts will cost." So he asserts that the net effect would be to save $81 billion over five years.

The savings fall into four categories: $26 billion from radically reorganizing three Cabinet departments and two agencies; $81 billion from extending a cap on military and other discretionary spending through the year 2000; $32 billion from benefit programs, and $5 billion from lower interest payments on the Federal debt.

Here are other highlights of the President's budget:

¶The Federal deficit would rise to $213 billion in 1997, drop back to $196 billion in 1998 and then "fluctuate in a narrow range" around that level for several years. But the economy would continue to grow, so the ratio of the deficit to the gross domestic product would be lower than at any time in two decades.

¶Mr. Clinton proposes an across-the-board pay raise of 2.4 percent for Federal civilian employees and military personnel. The budget includes $3 billion for the raises, which would take effect in January 1996. There would be raises of 3.1 percent in 1997 and 2.1 percent in each of the next three years.

¶The President proposes to increase fees charged for registration of securities and other activities at the Securities and Exchange Commission. New revenue is expected to total $1.7 billion over five years.

¶Mr. Clinton would require the Federal Deposit Insurance Corporation and the Federal Reserve to charge fees for examination of state-chartered banks and bank holding companies. This proposal is expected to raise $500 million over five years.

¶Medicare, for the elderly, and Medicaid, for poor people, are growing more slowly than predicted in previous budgets. But the growth is still phenomenal. Over the next five years, Medicare outlays are expected to rise 9.1 percent a year, while Medicaid grows 9.3 percent a year.

The President's budget says that health programs account for almost 40 percent of the total increase in Federal spending over the next five years. He asserts that the deficit could be eliminated in less than a decade if per capita spending on Medicare and Medicaid increased no faster than consumer prices in general.

But Mr. Clinton, battered by his experience with health care legislation last year, offers no major proposals to rein in the cost of Medicare. He said in December that he would provide tax relief to the middle class "without any new cuts in Social Security or Medicare."

And many Democrats expect to reap a political windfall if Republicans alarm the elderly with schemes to save money in Medicare. Mr. Gingrich said this week that Republicans would "rethink Medicare from the ground up."

The budget provides details of Mr. Clinton's previously announced plan to "reinvent" the Departments of Energy, Transportation and Housing and Urban Development, the Office of Personnel Management and the General Services Administration.

Mr. Clinton said the staff of the personnel agency, which now has 5,400 employees, would be cut by one-third. And the staff of the General Services Administration, the central housekeeping and supply agency for the Government, with 16,800 employees, will be halved, the budget says.

In keeping with the new spirit of federalism, Mr. Clinton proposes to consolidate scores of Federal grants and let local officials decide how to use the money. The Transportation Department now has 30 separate grants for construction and repair of highways, mass transit systems, railroads and airports. Mr. Clinton would merge them into a "unified transportation grant" of $10 billion a year.

The Department of Housing and Urban Development would merge 60 programs into eight worth $26 billion next year. Mr. Clinton denounces public housing as "a trap for the poorest of the poor." He proposes to "demolish thousands of severely deteriorated, mostly vacant units," and he says that "by 1998 no housing authority will receive funds directly from HUD." Instead, tenants will get vouchers that they can use to pay rent in any public or private housing.

Mr. Clinton describes education and training as a "ladder into the middle class," but he would take the Government out of the business of guaranteeing loans for college students. By July 1997, all new loans would be made directly by the Government, eliminating the subsidies and fees now paid to commercial banks and other private lenders. Mr. Clinton says this change would save $5 billion over five years.

Like Ronald Reagan in 1986, President Clinton proposes to sell four Federal agencies that provide electric power at subsidized rates to millions of people in Western and Southern states. He proposes to convert a fifth such agency, the Bonneville Power Administration, to a Government corporation, so it could "operate more efficiently."

THE POLITICS N.Y. Times; 2-3-95

Big Bargaining Chip

President's Budget May Be Dead, But He Can Use It to Make a Deal

By TODD S. PURDUM B10
Special to The New York Times

WASHINGTON, Feb. 2 — Presidential budgets are seldom more than the opening ante in an annual poker game between Capitol Hill and the White House. But President Clinton's proposals for scattered spending cuts and modest tax breaks are even more preliminary than usual: He is sending them off to a hostile Congress not only ready to match his bet, but eager to raise him.

News Analysis

If the budget is always more a political statement of executive priorities than a reliable guide to legislative reality, this one is at once a dead-letter and an airmail special. The Republicans who control both houses for the first time in 40 years have vowed to use the Democratic President's plan as the basis for even greater spending cuts and tax reductions.

"I can't think of anything that Clinton could do, short of subscribing to the Contract With America, that would get the Republicans to say that he's done enough," said Allen Schick, a student of the budget process and a professor at George Mason University. "When you hear the phrase 'dead on arrival,' what that really means is not that it's dead, but that it's a document for bargaining. His real budget is still in his back pocket."

Accordingly, the President's advisers say he has tried to define himself as much by the programs he will seek to preserve — nutrition grants for women and children, Head Start, national service, immunization, community development banks — as by those he is willing to cut.

And in proposing to eliminate about 130 programs — whether old chestnuts like the Interstate Commerce Commission and the strategic helium reserve, or new sacrifices like some smaller educational programs — Mr. Clinton is both striving to signal that he, too, is serious about shrinking and reshaping the Government, and trying to keep his powder dry for the fights he cares most about.

"We have a lot of budget cuts that are very important and significant in this budget," Mr. Clinton told reporters today. "And I'm looking forward to working with Congress to see how we can do even better. And I think that — I'm encouraged by what they said, that they want to pay for their tax cuts. And so I think when I submit the budget, I think it will be the beginning of a very positive thing. I don't have bad feelings about it."

James C. Miller 3d, who as Ronald Reagan's budget director often saw his work torn apart by a Democratic Congress's demands to increase domestic spending and Mr. Reagan's insistence on expanding the military, said Mr. Clinton's proposals would be far from irrelevant.

"Let me tell you something," Mr. Miller said. "If I'm old Newt Gingrich or Bob Dole, I'd be very anxious to see a list of the President's 50 biggest proposals, because there'll be things on there that look good to them."

One of the President's senior economic advisers, speaking on condition of anonymity, put it another way: "The budget's hardly D.O.A. They're looking to see what cuts we're going to do, because they'd like to take a lot of our cuts and say, 'Thank you very much.' So as we were doing cuts, there was not a sense of, 'This is false, it's not going to happen.' Just the opposite."

In fact, the White House's main goal so far has been to stay in the game. The broad details of the budget Mr. Clinton will submit on Monday have been known for weeks, since his address to the nation in December proposing new tax credits for families and deductions for college and technical education.

Unlike 1993, when Mr. Clinton's economic plan utterly dominated the debate in a Democratic Congress, or even last year when his budget message was eight bound pages chockablock with headings like "The Year Ahead" and bold, specific prescriptions for health care, crime and welfare, his letter to Congress this year is just over three pages, featuring headings like "Creating Opportunity and Encouraging Responsibility" and "Making Government Work."

The aim has been to position Mr. Clinton as the champion of working middle-class families, while painting Republican proposals for much deeper tax breaks or cuts in capital gains taxes as too soft on the rich, and warning that the Republican-backed balanced-budget amendment could place new burdens on the states or force cuts in programs like Social Security and Medicare.

"We have to put our cards on the table when we submit the budget proposal to the Congress," the White House spokesman, Michael D. McCurry said this week. "Congress can choose to do with that what it will."

What Congress is likely to do with it in the short term is wait just a bit. The Republicans are intent on passing the broad, 100-day promises provided in their Contract With America before delving too deeply into the messy and painful specifics of actual program cuts.

Mr. Clinton, too, is saving the specific proposals for how he would generate some of the most significant savings — more than $50 billion over the next five years — for springtime, when Vice President Al Gore is to present his second round of proposals for "reinventing" government by shedding and shrinking functions.

That is tricky for the President, since it will put him in the position of amending and revising his own proposals even as Congress is picking them apart. Mr. Clinton also faces the dual challenge of appeasing the Republicans in Congress, and moderates among the electorate, by showing his willingness to cut, without unduly alienating core Democratic constituencies likely to be hurt by such cuts.

In the end, Presidential advisers say, the challenge might not be vastly worse than dealing with a Democratic Congress that either passed some of Mr. Clinton's biggest initiatives by the barest majorities, or failed to approve them at all.

"There's no question this provides some opportunity for us," one senior aide said. "The President came here from Arkansas, and he wasn't someone who was wedded to a million different protected programs on the Hill. Now the Administration has a little more power with constituency groups to say, 'Hey, we want to protect some of these things, but they have to be reformed.' "

Wall St. Jrnl.; 2-3-95

Clinton Budget Sees Deficits For the Decade

A2

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — President Clinton's 1996 budget projects budget deficits of nearly $200 billion a year for the rest of the decade, a stark contrast to Republican promises — as yet unfulfilled — to move towards a balanced budget by 2002.

The $1.6 trillion budget proposes to cut spending and raise revenues from projected levels by $144 billion over the next five years, with $63 billion of that going to finance middle-class tax cuts and $81 billion going to reduce the deficit.

For fiscal 1996, which begins Oct. 1, the White House projects a deficit of $196.7 billion, up from an estimated $192.5 billion for the current fiscal year.

Excerpts from the proofs of the president's introduction to the budget, set to be released Monday, are published in today's editions of the New York Times. In them, Mr. Clinton boasts of his accomplishments in reducing the deficit from the $254.7 billion deficit he inherited for fiscal 1993, a year in which the deficit was swollen in part by a weak economy. But he also emphasizes his desire to increase spending in high-priority investment programs.

In his message, Mr. Clinton says:

—He will seek "significant new funding" for the Commerce Department's advanced technology program, the National Aeronautics and Space Administration's "new technology investments," the Pentagon's defense conversion programs and medical and scientific research, all of which have been among Mr. Clinton's investment priorities since he took office.

—He promises to seek "new funds with which states and localities can hire more police, build more . . . prisons and boot camps, invest in prevention programs and provide drug treatment" and to "invest more in our urban centers as well as in rural areas."

—He will seek to save an insignificant $2 billion over five years by proposing the elimination of 130 small programs and, as reported previously, about $23 billion by restructuring the Housing, Energy and Transportation departments.

—Vice President Al Gore will lead Phase II of the administration's "reinventing government" effort "to identify other agencies and programs to restructure and terminate, to sort out responsibilities among the federal, state and local levels of government and to choose functions better performed by the private sector."

N.Y. Times; 2-3-95

Excerpts From President Clinton's 1996 Budget Message to the Congress

Special to The New York Times BP

WASHINGTON, Feb. 2 — Following are excerpts from galley proofs of President Clinton's Budget Message, which he will send to Congress on Monday:

The 1996 budget, which I am transmitting to you with this message, builds on the Administration's strong record of economic progress during the past two years and seeks to create a brighter future for all Americans.

Our economic plan helped bring the deficit down from $290 billion in 1992, to $203 billion in 1994, to a projected $193 billion this year, providing three straight years of deficit reduction for the first time since Harry Truman was President.

Now that we have brought the deficit down, we have no intention of turning back. My budget keeps us on the course of fiscal discipline by proposing $81 billion in additional deficit reduction through the year 2000. I am proposing to save $23 billion by reinventing three Cabinet departments and two other major agencies, to save $2 billion by ending more than 130 programs altogether, and to provide better service to Americans by consolidating more than 270 other programs. Under my plan, the deficit will continue to fall as a percentage of G.D.P. to 2.1 percent, reaching its lowest level since 1979.

Standard of Living

To build a more prosperous America, one with rising living standards for all Americans, we must turn our attention to those who have not benefited from the current recovery My budget proposes to do that.

I am proposing a middle class bill of rights, which will provide tax relief to middle-income Americans. The middle class bill of rights includes a $500 per child tax credit for middle income families with children under 13; expands eligibility for Individual Retirement Accounts and allows families to make penalty-free withdrawals for a range of educational, housing and medical needs, and offers a tax deduction for the costs of college, university or vocational education. Also, I am proposing to revamp our confusing array of job training programs by consolidating some 70 of them. In my G. I. bill for America's workers, I propose to offer dislocated and low-income workers skill grants through which they can make their own choices about the training they need to find new and better jobs.

And I am proposing to pay for this middle class bill of rights with specific spending cuts. In fact, I am proposing enough spending cuts to provide more than twice as much in budget savings, $144 billion, as the tax cuts will cost, $63 billion, over five years.

Creating Opportunity

By itself, the Federal Government cannot rebuild America's communities. My national service program provides incentives for Americans of all ages to volunteer their services in local communities across the country and earn money for their own education. The budget proposes to invest more in our urban centers as well as in rural areas. And I will work with Congress to enact comprehensive welfare reform that embodies the principles of work and responsibility for able-bodied recipients while protecting their children.

I am proposing new funds with which states and localities can hire more police, build more space in prisons and boot camps, invest in prevention programs and provide drug treatment.

While working to fulfill the Federal Government's responsibility to secure our borders against illegal immigration, the budget also proposes funds to assist states that are unduly burdened with the health, education and prison-related costs associated with illegal immigrants.

I am seeking significant new funding for the Advanced Technology Program at the Commerce Department's National Institute of Standards and Technology, NASA's New Technology Investments, the Defense Department's Technology Reinvestment Project, biomedical research at the National Institutes of Health, and research and development at the National Science Foundation.

American Leadership

We have begun the post-cold war era and welcome one of its most significant fruits — the continuing efforts of Russia and the newly independent states to move toward democracy and economic freedom.

We are redoubling our efforts to promote an open trading system in Asia, as well as in Latin American and the rest of the globe. I am proposing increased funding for our trade promotion agencies.

Our military strength works in synergy with our foreign policy. My defense funding initiative, a $25 billion increase in defense spending over the next six years, marks the third time that I have raised defense spending to support and maintain the most capable military force in the world.

Effective Government

In the coming months, the Vice President will lead Phase II of our crusade to reinvent Government — an effort to identify other agencies and programs to restructure or terminate, to sort out responsibilities among the Federal, State and local levels of government and to choose functions better performed by the private sector.

Conclusion

Our agenda is working. By cutting the budget deficit, investing in our people and opening world markets, we have begun to lay the foundation for a strong economy for years to come. And by reinventing the Federal Government, cutting red tape and layers of management, we have begun to make Government more responsive to the American people.

Budget Target Has 9 Lives Plus

WASHINGTON, Feb. 2 — President Clinton's budget includes one item that is a hardy perennial on the list of programs to cut: "impact aid" to school districts having sizable numbers of military personnel or other Federal employees.

The program is intended to compensate school districts for revenue lost because of their inability to tax Federal property. President Ronald Reagan tried to reduce these payments in 1981, when they totaled $706 million, and he had some success. But they have since climbed back, reaching $728 million this year.

Under current law, some districts get aid even though large numbers of Federal workers there live on private property. Critics say there is no particular justification for such payments because those parents usually pay state and local income and property taxes and contribute to the local economy by buying goods and services.

The future of the program may suggest how serious Congress is about reducing the budget deficit.

Carroll Dexter, director of program operations at the impact aid office of the Education Department, said, "They've been trying to eliminate this program since Eisenhower in 1954."

The program, Mr. Dexter said, has enjoyed bipartisan support because every one of the 435 Congressional districts has had some children whose family connections to the Federal Government generated Federal aid for local schools.

USA Today; 2-3-95

$1,600,000,000,000 budget: A 13-figure fight

Spending cuts would pay for tax cuts – GOP a roadblock

By Richard Wolf
USA TODAY

President Clinton next week proposes a 1996 budget that aides say includes twice as many spending cuts as tax cuts and would reduce the deficit by $81 billion over five years.

Clinton's $1.6 trillion budget, out Monday, details $60 billion in cuts to pay for his $80 billion package of tax and education breaks for the middle class.

Still, the White House expects congressional Republicans who want to slash billions from the deficit to pounce on Clinton's plan as inadequate.

"The one thing that we have no control over in the budget deficit is the impact of higher interest rates on the deficit," Clinton said Thursday. "In that sense, the deficit will not go down as much as I had hoped."

Meanwhile, House GOP leaders are backing off their plan to vote on politically painful spending cuts before enacting popular tax cuts.

A tentative decision to skip passing a blueprint defining nearly $200 billion in spending cuts simplifies the web of legislation needed to complete the GOP's Contract with America in 100 days as promised.

It also eases Republicans' political burden, buying more time to decide on spending cuts, and making eventual votes on tax and spending cuts simultaneous.

"Frankly, we just need more time," says House Budget Committee Chairman John Kasich, R-Ohio. "We're going from a culture of spending to a culture of saving."



AP

KASICH: From a 'culture of spending to culture of saving'

GOP leaders still plan to show how tax cuts would be paid for. But they're no longer insisting that spending cuts come first. Instead, committees would be told how much in spending cuts is needed to offset tax cuts.

"It's a face-saving device," says Carol Cox Wait of the Committee for a Responsible Federal Budget.

"It is nonsensical to pass a package of spending cuts to pay for a tax cut. . . . We have to pay for the whole budget," she says.

But tax cuts for the middle class, investors and seniors, among others, represent the lion's share of the contract Republicans campaigned on last fall. It commits them to voting on tax cuts by mid-April. Because that would raise the deficit, the tax cuts must be balanced with spending cuts.

Voting on a separate budget resolution presented GOP lawmakers with a political hardship as well.

Rep. Steve Gunderson, R-Wis., on the House Agriculture Committee, cites a "growing revolt" against too many spending-cut votes. "Are we going to cut the (farmers) twice?"

House Ways and Means Committee Chairman Bill Archer, R-Texas, whose panel controls tax policy, has argued for weeks spending cuts should be combined with tax cuts to make them easier to pass.

Republican leaders first pushed back the calendar for outlining their spending cuts to late January, then mid-February. Now, it could be April.

Kasich calls it a "mistake" to have begun with a timetable "driven by the contract."

Now, he says, the GOP can sit back and "have a full airing of the president's budget."

Contributing: Judy Keen

House GOP dilutes 'line-item veto'

By Norm Brewer
Gannett News Service

House Republicans Thursday voted to limit how much "line-item veto" power to give the president.

They rebuffed a move by Democrats to give presidents expanded powers to veto specific items in tax bills, choosing instead to let them veto only tax breaks that affect no more than 100 individual or corporate taxpayers. It's important "not to give the president too much power," warned Rep. Peter Blute, R-Mass., as the House opened debate on the bill.

They are scheduled to vote on the entire measure Monday, in honor of President Reagan's 84th birthday.

Currently, presidents can veto only entire spending bills and tax acts, not item by item. The goal of the line-item measure, advocates say, is to cut down on congressional pork-barrel spending and tax breaks.

House Republicans successfully campaigned last fall on their Contract with America, which called for giving presidents the line-item veto.

But Democrats charged Thursday that by restricting the president's power to veto taxes, Republicans were bowing to special interests and acting contrary to their contract.

Wash. Post; 2-3-95

Democrats Seek Safeguards for Social Security

Senators May Endanger Balanced Budget Measure

A14

By Eric Pianin and Helen Dewar
Washington Post Staff Writers

Senate Democrats, claiming growing public skepticism of the proposed balanced budget amendment, yesterday stepped up their demands for provisions safeguarding Social Security and requiring Republicans to produce a detailed plan for spending cuts before the constitutional amendment is adopted.

Sen. Barbara A. Mikulski (D-Md.), who has been undecided, announced she would vote against the constitutional provision unless it is revised to exempt Social Security. Earlier this week, Sen. Dianne Feinstein (D-Calif.), who voted for the amendment last year, declared that she too would oppose the measure unless Social Security was exempted from possible cuts.

"The Republicans say, 'Don't worry, we'll never do it, we're not going to touch the [Social Security] trust fund,' " Mikulski said. "If they're so sincere in wanting to exempt Social Security, then they should join us in seeing to it that it is actually part of the constitutional amendment."

Majority Leader Robert J. Dole (R-Kan.) and Judiciary Committee Chairman Orrin G. Hatch (R-Utah) say they are unalterably opposed to any changes in the House-passed version of the balanced budget amendment, which does not grant special status to Social Security. However, GOP leaders acknowledge that they may have trouble passing a balanced budget amendment this year if Democrats hold out for major changes.



BY RAY LUSTIG—THE WASHINGTON POST

Sen. Barbara A. Mikulski (D-Md.) speaks at a news conference on balanced budget.

A survey by the Wirthlin Group for the American Association of Retired Persons (AARP) shows that while Americans overwhelmingly support the idea of a balanced budget amendment, 75 percent say Congress should spell out which programs would be cut before a constitutional amendment is adopted. Results of the survey, released yesterday, also show that 79 percent of Republicans and 89 percent of Democrats believe Social Security should be exempted from calculations for achieving a balanced budget.

"Support for this amendment is very shallow, said Eugene Lehrmann, AARP president.

Meanwhile, Dole and other GOP lawmakers introduced a bill forming the cornerstone of the Republican effort to curb government regulations by requiring cost and risk analyses before they are issued and making it easier for Congress to revoke them before they take effect.

The legislation is part of a broader anti-regulation effort, pledged by Republicans in their campaigns last year, that also includes a moratorium on new regulations and a case-by-case review of existing ones. It was submitted yesterday in the Senate; Rep. David M. McIntosh (R-Ind.) said he plans to introduce similar legislation in the House.

According to Republicans, the legislation would require that all regulations with an estimated cost of $50 million or more undergo rigorous economic and scientific analyses aimed at assuring that benefits outweigh costs and that risk assessments are not based on worst-case examples.

While Senate Republicans face a bruising uphill battle to pass the balanced budget amendment, House Republicans are under mounting pressure to demonstrate how they intend to begin balancing the budget while paying for a raft of proposed tax cuts and benefits costing an estimated $204 billion over the next five years.

House Speaker Newt Gingrich (R-Ga.) yesterday took issue with a new Joint Tax Committee estimate of the cost of the Republican tax plan, particularly the projection that proposals for reducing the capital gains tax would drain the Treasury of more than $53.9 billion.

Balt. Sun; 2-3-95 p. 1

Advocates for disabled fear a disaster from GOP cuts

Dire fate is predicted for thousands

By Jim Haner
and John B. O'Donnell
Sun Staff Writers

WASHINGTON — Warning of a coming disaster for the poor, advocates pleaded with Republicans in Congress yesterday to forgo their plan to revamp welfare and Social Security disability aid by turning over much of it to the states.

But House Speaker Newt Gingrich told an afternoon news conference that their pleas won't be heeded — charging that "academics and welfare bureaucrats" have "made a mess" out of federal programs for the disadvantaged.

Waving a laminated copy of the Republican "Contract With America" at TV cameras, Mr. Gingrich vowed to pass laws within two months that will cut off welfare and Social Security disability checks to many, while giving billions to states and neighborhood action groups.

Even before they heard that pronouncement, social welfare advocates were conceding that federal disability programs are probably headed for the most serious cuts in more than a decade.

Advocates testifying before a House Ways and Means subcommittee said the revisions would plunge thousands of America's most needy people into despair, which in turn will end up costing taxpayers more than current welfare programs.

States will offer vastly different levels of service, they predicted, and many of the poor and disabled will wind up in orphanages, hospitals and prisons.

"What's needed is a scalpel to cut out the specific cases of fraud, waste and abuse," Rhoda Schulzinger of the Consortium for Citizens with Disabilities said in an interview. "What they're getting ready to use is a meat ax."

Said Democratic Rep. Charles B. Rangel of New York: "They have a dateline. They have their 'Contract With America.' So don't think they're going to be sitting down with us to work this out."

Even if the Republican leadership

See SSI, 6A

From Page 1A

was willing to soften its position, testimony yesterday showed that the two sides weren't speaking the same language.

An example was the differing views of the Supplemental Security Income program, a welfare plan for the disabled that Republicans have vowed to slash and that advocates are fighting to save.

Run by Social Security, it provides cash assistance to poor people who are too handicapped or elderly to work.

But it has grown into a $25 billion behemoth that gives checks to children, drug addicts and immigrants, spawning charges that some are getting money for marginal disabilities and faked mental conditions.

Advocates for the poor testified that such claims are grossly exaggerated, unproven and undocumented, and that thousands of desperate people will be hurt by the kind of broad cuts envisioned by the new Republican majority in Congress.

They disputed allegations that some children are "coached" by their parents to act mentally ill to qualify for disability checks, citing a recent Social Security study that found no evidence of widespread abuse.

Ms. Schulzinger told the committee the agency's study is "the only thorough investigation of such allegations."

However, those who have charged there is "coaching" have claimed that Social Security's study was based on just 600 cases nationwide and not in the Deep South, where most fraud allegations have centered.

Also, they say investigators in two other federal agencies tried to look into the fraud claims but were thwarted by privacy laws that prevented them from seeing records.

Rep. Jim McCrery, the Louisiana Republican who wants to cut the children's program, said: "I think there is ample evidence that there are children receiving SSI who most ordinary Americans would agree do not deserve to be on SSI."

But while there have been numerous news media accounts documenting abuses of the program, no government agency has ever defined the overall dimensions of the problem. Advocates say there have been only isolated incidents of abuses, along with news media "horror stories."

A heated exchange between Representative McCrery and David Liederman of the Child Welfare League of America highlighted the differences.

"Whatever you do, don't start messing with a child-welfare system that serves 1.6 million people," said Mr. Liederman.

"Surely, you can't be suggesting that there isn't a need for reform," replied Mr. McCrery.

"You're talking about millions of kids," retorted Mr. Liederman, charging that the Republican plan to turn over much of the SSI aid to the states will open huge holes in the "safety net" for needy children.

"We're not going to be brain-dead up here," said Mr. McCrery. "If the state programs prove to be a disaster, then we can revisit that."

"Unfortunately, you're talking about millions of children," said Mr. Liederman.

As he spoke, Mr. Gingrich was wrapping up his Capitol Hill news conference, vowing to turn over billions in federal welfare and disability funds to the states and local grassroots organizations.

"These are people who live in the real world, who are interested in solutions," he said. "They don't represent the Harvard professors and they don't represent the mid-level bureaucrats who study these problems in the abstract. The secular welfare maintenance model has been a failure. Our interest is in transforming people into workers and taxpayers — not maintaining them in lives of poverty."

A group of community activists from around the country cheered as he spoke, then took turns recounting how federal regulations had hampered their efforts to get money for neighborhood drug clinics, halfway houses and food banks.

"They want us to be licensed," said Freddie Garcia, a San Antonio minister who runs a string of private community centers that serve addicts and the poor. "They want our leadership to have college degrees. Well, I don't have a degree, but I have an education from the streets that you can't get at Yale."

Said Ernest Boykin, who runs a private job training program in Washington, D.C.: "We're not sociologists, we're not drug counselors, we're not social workers . . . But we know how to get the job done."

N.Y. Times; Wash. Post; 2-3-95

Census Report Finds Mobility in Poverty

A16

WASHINGTON, Feb. 2 (AP) — Millions of Americans move into or out of poverty each year, a Census Bureau report says.

Relatively small changes in the total number of people living in poverty from year to year mask the fact that the status of millions of people changes each year, said the study, "Dynamics of Economic Well-Bring," which was made public today.

The income analysis found that 18.8 million people who were poor in 1990 remained poor in 1991. But 5.1 million people moved out of poverty in the same period, and 6.2 million became poor.

The Census Bureau does not study the causes of people moving into or out of poverty, said an analyst, Martina Shea, but the report did note that in 1990 and 1991 the nation's economy was in recession.

More than 60 percent of those who were in poverty throughout both years were white, and 34.4 percent were black. Nearly 44 percent were under 18 years of age, while 46 percent were 18 to 64 and 10.2 percent were 65 and older.

Wash. Post; 2-3-95 p. 1

Barry Says Home Rule Government Unworkable, Urges U.S. Takeover of Courts, Prisons, Welfare

By Howard Schneider
and David A. Vise
Washington Post Staff Writers

D.C. Mayor Marion Barry declared yesterday that the city's 20-year-old home rule government has become unworkable and proposed that federal authorities take over municipal welfare, medical, court and corrections programs, a move that would dismantle major parts of the local bureaucracy he helped build in the 1980s.

Saying the city can no longer survive "half-slave, half-free"—paying for the services of a state government without a state's taxing authority—Barry acknowledged that the city cannot resolve its $722 million projected budget deficit without substantial help from the federal government.

He asked for $267 million in one-time aid to rescue the city from skyrocketing Medicaid costs, a proposal that even the city's defenders said is not likely to be approved without greater congressional oversight of the District's finances.

But Barry also called for a dramatic reduction of the District government's role, saying that its structure was flawed from the beginning and that now is the time to right the imbalance. Under his plan, the federal government would take over both St. Elizabeths Hospital for the mentally ill and the Lorton Correctional Complex. It also would pay the cost of operating the D.C. Superior Court and D.C. Court of Appeals and assume the city's share of funding the Medicaid and Aid to Families With Dependent Children programs.

In return, he pledged a 10 percent cut in the wages of city workers, a 4,000-person reduction in the city work force and aggressive action on about $200 million of budget cuts already approved by the D.C. Council. The city's credibility is ebbing on Capitol Hill, Barry said, but at this point the problems are beyond the District's capacity to solve them.

"If we are going to be treated as a territory, half-slave and half-free, we ought not to pay the price that free people pay," Barry said.

In 1974, when Congress gave up direct control of the District and gave residents the right to elect municipal leaders, Barry said, "we were so anxious to show we could take care of ourselves, we were thirsty for freedom" that the city agreed to take on the job of running prisons and welfare programs typically left to states.

"We never should have," Barry said, and now it is time to give them back.

Barry announced his plans for dealing with the city's financial problems at an afternoon news conference, setting the stage for a debate that could redefine both his government and its relationship with Capitol Hill and the federal bureaucracy. The need for such "structural reform" has been a staple conclusion of every major analysis done of the District's finances, and Barry has given it his endorsement.

Several of the ideas Barry floated yesterday already have been mentioned on Capitol Hill, and reaction to them has been mixed. A federal takeover of Lorton, for example, is already in the works.

More controversial, however, is

Cont'd on next page

■ *Local business leaders back Barry's financial rescue plan.* *Page F1*

from previous page

his request for a $267 million grant to resolve massive overspending in the city's Medicaid program, some of it discovered only recently through audits. Even the city's congressional allies have made clear that they will not give the city any more cash assistance until they were convinced that local spending is under control. So far, they say, it isn't.

Additional federal aid "does not come without a great penalty," said Rep. Julian C. Dixon (D-Calif.), the ranking minority member of the D.C. appropriations subcommittee and one of the city's staunchest defenders on Capitol Hill. "It seems to me, also, that moves us a lot closer to a financial review board or panel or oversight committee if it's going to be cash out of the Treasury. I think we are a long way from biting that off, to give him any immediate relief."

Barry's broader proposal—to turn some city functions back to the federal government—may find favor with Congress, House Speaker Newt Gingrich (R-Ga.) said yesterday. "We are the state for this city," Gingrich told reporters. "We have an obligation. . . . I don't think we have to necessarily be engaged in a confrontation. Because the pain is so great, the disaster is so clear."

Barry's announcement came at the end of a carefully choreographed series of events in which the mayor began hinting last week that the city's budget problems were far worse than projected even late last year, when the city had to scramble to borrow money on Wall Street to avoid going broke.

On Tuesday, the administration began briefing reporters privately, disclosing that what had been characterized as a $490 million budget problem had ballooned to about $722 million. On Wednesday, Barry unveiled the bad news to council members, Capitol Hill and labor leaders. Yesterday, he unveiled his proposed solutions.

In essence, Barry and his financial advisers are predicting the future, saying that if nothing changes by the end of the budget year on Sept. 30, the city will have overspent its budget by $722 million. His proposals are his way of bringing the numbers back into line, both by trimming spending through actions such as the wage cut and by bringing in more money, mostly from the federal government.



COUNCILMAN DAVID A. CLARKE
. . . "things are being done"



REP. JULIAN C. DIXON
. . . aid would come with "penalty"

Several of the ideas are not new. Many build upon the actions already taken by the D.C. Council late last year, including the proposals to reduce worker salaries by about $70 million and to trim agency spending through service cuts and management changes by about $200 million.

> *"The survival of Washington, D.C., as we know it is at stake. We have no choice. If we don't do it, there are those waiting to do it for us."*
>
> —D.C. Mayor Marion Barry

Yesterday, offering a counterpoint to the "worst-case" scenario painted by Barry, D.C. Council Chairman David A. Clarke (D) said the city was on its way to addressing the budget problem. Clarke said he was worried that Barry's willingness to paint such a gloomy picture might encourage Congress to intervene.

"We're sending the message that there are these [deficit] numbers and nothing is being done," Clarke said. "Things are being done."

Along with restructuring the way government works in the District, Barry's plan sets the stage for a possible confrontation with the city unions.

The package envisions trimming 4,000 workers from the city payroll in the current fiscal year, a process already begun. Thousands of workers have taken advantage of early-retirement programs offered by the city, and hundreds more are going to be laid off at D.C. General Hospital. Barry and administration officials said yesterday that they hope to reach their goal with as few as 300 additional firings.

More controversial may be his plan to cut wages citywide by 10 percent. City unions have refused to renegotiate their contracts, so the administration is laying plans to slash wages legislatively, essentially asking Congress to order what Barry has been unable to achieve at the bargaining table.

Union leaders say they won't compromise. "I can't go to my members and say, 'Let's do this thing this year and roll the dice next year,' " said David Schlein, a national vice president of the American Federation of Government Employees.

Medicaid may be in for the biggest changes. Even if Congress refuses to take over the services Barry wants to surrender, administration officials say they plan to curtail Medicaid spending drastically.

The District has provided an unusually generous version of Medicaid, the health insurance program for the poor and disabled, which is run jointly by the federal government and states. Last year, Medicaid paid the bills for care by doctors, nursing homes and hospitals for one in four District residents, a mammoth undertaking that will cost the city nearly a half-billion dollars this year unless the federal government steps in.

Vernon E. Hawkins, interim director of the D.C. Department of Human Services, said he has urged the mayor to relinquish major parts of the city's public health services to a private operator. He wants to form a quasi-private corporation to run D.C. General, the city's network of neighborhood clinics and other health care services.

The request for $267 million in additional federal aid would fix the biggest problem uncovered by a recent audit of the city's books, an estimated $103 million in past-due Medicaid payments to health care providers. That, in addition to overspending in the Department of Human Services, has caused the biggest hole in the city's spending plan.

However, experts familiar with the city's finances and the current mood of Congress said Barry's plan has little chance of being enacted. "This is a non-starter. There is just no way this is going to happen," one source said.

Barry, perhaps anticipating a tough sell, said he and his financial advisers have worked ceaselessly on the city's financial problems since he won the Democratic mayoral primary in September. He said he has stayed up late, braced himself to make decisions he does not want to make, and prayed about the city's fate. This, he said, is the best he has to offer.

"The survival of Washington, D.C., as we know it is at stake," he said. "We have no choice. If we don't do it, there are those waiting to do it for us."

Staff writers Amy Goldstein and R.H. Melton contributed to this report.

Wash. Post; 2-3-95

NIH Official Urges Shift in AIDS Policy to Scientist-Initiated Research

A9

By David Brown
Washington Post Staff Writer

The federal AIDS program needs to rely more on the curiosity of individual scientists, and less on the wisdom of committees, as it doles out research money.

At the same time, the government needs to spend more of that money on laboratory research because better AIDS treatments are not likely to be found without progress in the basic understanding of human immunodeficiency virus (HIV) infection.

Those are among the conclusions reached by William E. Paul, head of the Office of AIDS Research at the National Institutes of Health (NIH), in an article in today's issue of the journal Science. Both ideas mark a shift from recent AIDS policy, in which central planning was deemed essential for research progress, and devising medical treatments for patients was the main goal.

"A turning point has been reached. Simple continuation of the policies of the past is likely to bring us only slow, fitful progress," he wrote.

Paul's analysis acknowledges that progress in AIDS is likely to come through the traditional, often fortuitous and largely decentralized methods of virtually all other medical research.

A debate over how to make the quickest progress against a new disease has gone on almost since the first cases of AIDS were discovered more than a decade ago.

Many AIDS activists, and some scientists, argued that the NIH needed to channel money toward answering specific scientific or medical questions, and should have a clearly stated list of priorities for AIDS research. A few called for a "Manhattan Project" for AIDS, similar to the government's crash program that produced the atomic bomb 50 years ago.

Others said there could be no shortcuts on the way to understanding and containing the epidemic. They argued the NIH should allow AIDS researchers to follow their own leads, to pose questions they thought were most important, and to take the intellectual risks that history has shown ultimately lead to breakthroughs.

On balance, the centralists prevailed. The Office of AIDS Research (OAR), which opened in 1988 but was revamped and given broad budget review powers a year ago, and the White House's Office of National AIDS Policy, were both products of the campaign.

Scientists at universities and research institutes around the country seek grants from NIH in two ways. They either respond to the agency's requests for research proposals on specific questions and problems, or they propose studies of their own devising.

Last year, 54 percent of NIH's non-AIDS research went to projects of the second type, so-called "investigator-initiated grants." Only 23 percent of the AIDS budget, however, went to such grants, with the rest going to research requested by various NIH institutes.

Although he did not specify a target in his Science article, Paul said yesterday he "would like to see us shooting for the 40-to-45 percent range" of the AIDS budget going to investigator-initiated projects. He was emphatic, however, that this signaled a mid-course adjustment, not a revolution, in AIDS research.

Clinical trial networks, vaccine development and epidemiological studies will still require much central planning, Paul said, and OAR will still work to ensure there is no unnecessary duplication among the myriad AIDS research projects. Nevertheless, a new direction is needed in order to "capture the creativity of the research community," the OAR director said.

Some people have argued that central planning reduces the risk of wasting money on unpromising leads, but Paul, who was a research immunologist at NIH before taking his present job, said he believes the opposite may be true.

"Sometimes there is greater risk with central planning. If your decisions are not good ones, despite the fact you made them with the best knowledge at your disposal, then you may be diverting funds from where new opportunities lie," he said.

His call for more basic research reflects a growing consensus that effective treatments will come only when scientists know more about how HIV destroys the immune system, about which of the body's several immune defenses is most protective, and about why a few patients stay healthy for decades after infection.

The Science article appeared to have wide support yesterday.

Derek Hodel, director of federal affairs for Gay Men's Health Crisis in New York, said he welcomed the new directions, adding they "should allow for more innovative and risk-taking grants." The chairman of the board of the American Foundation for AIDS Research (AmFAR), Mathilde Krim, called it "a masterful analysis of the situation," adding that it "corresponds exactly to the philosophy" of AmFAR.

Patricia S. Fleming, director of the Office of National AIDS Policy, said, "I fully support the directions laid out by Dr. Paul."

In the article Paul also announced OAR was appointing a "work group" of scientists and AIDS experts to evaluate NIH's research program and to suggest directions for its future. The review will take one year and will be chaired by Arnold Levine, a molecular biologist at Princeton University.

Other members of the group include: Philip Sharp, a Nobel laureate and molecular biologist at the Massachusetts Institute of Technology; Barry Bloom, an infectious diseases specialist at Albert Einstein School of Medicine, in New York; Rebecca Buckley, an expert in immunodeficiency diseases at Duke University; King Holmes, an expert on sexually transmitted diseases at the University of Washington; Robert Schooley, a clinical researcher at the University of Colorado; and Richard Whitley, a clinical researcher at the University of Alabama.

CDC Report Shows Spread of Virus Is Leveling Off

Associated Press

ATLANTA, Feb. 2—The rate at which AIDS is spreading has leveled off and the number of new cases reported every year is falling, health officials said today.

The report from the Centers for Disease Control and Prevention came just three days after the CDC announced that AIDS is now the leading killer of Americans ages 25 to 44.

In the early 1980s, AIDS cases snowballed by 200 percent a year as the virus spread through the white homosexual population. Now, the disease appears to be stabilizing. AIDS-related illnesses are now increasing at 3 percent per year, according to an analysis of data from the last two years using the CDC's old AIDS definition for the purposes of comparison, the agency reported.

"It's not growing as rapidly as in earlier years, but the rate is still unacceptably high," said John Ward, the CDC's chief of HIV-AIDS surveillance. He predicted a similar increase in 1995.

The AIDS definition was expanded in 1993 to reflect more accurately the toll on women and people with tuberculosis or depressed immune systems.

Last year, 80,691 new AIDS cases were reported, down from 106,618 the previous year, the CDC said.

Together, the 1994 and 1993 figures represent more than 40 percent of all 441,528 AIDS cases reported since 1981, he pointed out.

More than half of the 1994 cases resulted from the 1993 redefinition of AIDS.

N.Y. Times; 2-3-95

Vitamin A Deficiency Linked to Transmission of AIDS Virus From Mothers to Infants

By LAWRENCE K. ALTMAN A17
Special to The New York Times

WASHINGTON, Feb. 2 — A link between vitamin A deficiency and transmission of the AIDS virus from mother to infant has been found in a study in Africa, researchers from the Johns Hopkins School of Medicine in Baltimore and their colleagues in Malawi reported at a meeting here today.

The report is believed to be the first to show that maternal nutritional deficiencies can affect the transmission of H.I.V., the virus that causes AIDS, said Dr. Richard D. Semba of Johns Hopkins Hospital, the leader of the research team. He reported the findings at the closing session of a meeting sponsored by the American Society for Microbiology.

The scientists are now carrying out further studies to determine whether something as simple as vitamin A tablets, which cost 2 cents a day, will decrease transmission of H.I.V.

"In the high-tech rush to develop vaccines and other therapies, we have been ignoring some of the basics," Dr. Semba said in an interview.

After Dr. Semba spoke, participants at the meeting said the findings were important and provocative. Proof of a preventive role for vitamin A could have a significant and widespread effect on public health in third world countries, participants said.

A possible factor in the far heavier AIDS toll in parts of Africa.

Vitamin A is a fat soluble substance found in animal products, including dairy products, among other sources. Other forms of the vitamin are found in dark green leafy vegetables, carrots, mangoes and papayas.

A lack of vitamin A during pregnancy can cause night blindness in the mother, problems with the placenta and low birth weight of newborns. Doctors and others have long called it "the anti-infective vitamin," and deficiency has been linked to a variety of infectious diseases, including diarrheal and respiratory ailments, tuberculosis, ear infections and malaria. Bouts of infection seem to hasten the depletion of stores of vitamin A from the body.

In the last decade, rigorous clinical and animal experiments have shown that vitamin A is essential for proper functioning of the immune system. It enhances immunity in childhood and can decrease rates of illness and death from infectious disease. Vitamin A can also be a powerful activator of genes.

A link between vitamin A deficiency and AIDS has a plausible biological explanation. Studies in several laboratories have shown that when deprived of vitamin A, T cells and B cells — two type of immune cells — fail to function properly. T and B cells are critically important in helping the body fight H.I.V. A lack of vitamin A also leads to impaired production of cytokines, substances produced by cells that are important in immune reactions.

Thus, vitamin A deficiency can be "a double whammy" on the immune system, Dr. Semba said, because pregnancy itself increases demand for the vitamin for both the woman and fetus and H.I.V. infection can interfere with intake and absorption of vitamin A and can deplete existing stores.

Dr. Semba's team found the link in a study of 567 H.I.V.-infected pregnant women at a hospital in Blantyre, Malawi.

Last June, as part of this continuing study, the researchers reported that they had found evidence of vitamin A deficiency in nearly 70 percent of the pregnant women, one of the highest rates in the world. Pregnant women with the most severe lack of vitamin A had a 32 percent chance of transmitting H.I.V. to their infants, as against a 7 percent chance for women with healthy amounts of vitamin A.

The findings led Dr. Semba's team to further analyze data in the study. The new data show that of the infants born to mothers with the most severe deficiency, 93 percent died in the first year of life, as compared with 14 percent of those born to mothers with healthy levels of vitamin A.

About 14 percent of the most severely infected mothers died in the first year, compared with 5 percent of the infected mothers with healthy amounts of vitamin A.

The new findings are to be published soon in a medical journal, Clinical Infectious Diseases.

One puzzle of the AIDS epidemic is why the disease has spread so much more extensively in many countries in Africa than in the United States and Europe. Dr. Semba said he believed that vitamin A deficiency could be an important factor in explaining the differences.

N.Y. Times; 2-3-95

AIDS Spreading at Lower Rate, Report by Disease Centers Says

A17

ATLANTA, Feb. 2 (AP) — The rate at which AIDS is spreading has leveled off and the number of new cases reported every year is falling, health officials said on Thursday.

Last year, 80,691 new AIDS cases were reported, down from 106,618 the previous year, officials at the Centers for Disease Control and Prevention here said.

The report from the centers came just three days after it announced that AIDS was now the leading killer of Americans ages 25 to 44.

In the early 1980's, AIDS cases were rising by 200 percent a year as the disease spread through the white homosexual population. The disease is now stabilizing at a 3 percent annual increase under an old, less inclusive definition of it, said Dr. John Ward of the centers.

"It's not growing as rapidly as in earlier years, but the rate is still unacceptably high," Dr. Ward said. He predicted a similar increase in 1995.

"The epidemic is slowing, and we can take comfort in that — but small comfort," Dr. Ward said.

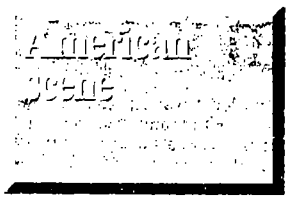
The definition of AIDS was expanded in 1993 to reflect the toll on women, and people with tuberculosis or depressed immune systems; both the 1993 and 1994 figures were above the 1992 total, 47,572 cases.

The 1994 and 1993 figures together represent more than 40 percent of the AIDS cases reported since 1981, Dr. Ward pointed out.

More than half of the 1994 cases resulted from the 1993 redefinition of AIDS. Dr. Ward said that demonstrates the disease's shift from the once-traditional gay male population to heterosexuals, women and black and Hispanic Americans, and those living in the South and Northeast.

"This isn't a disease that's staying in one population," Troy Petenbrink of the National Association of People with AIDS said.

The statistics on children with AIDS surprised the centers, Dr. Ward said. Their numbers rose 8 percent, to 1,017 last year from 942 in 1993. But, he added, the rate should slow as more pregnant women use the anti-AIDS drug AZT to protect their fetuses from infection.



Wash. Times; 2-3-95

AIDS spreading more slowly in U.S.

ATLANTA — The AIDS epidemic in the United States is growing at a slower rate than in previous years, federal health officials said yesterday.

Since 1981, 441,528 AIDS cases have been reported to the Centers for Disease Control and Prevention (CDC), with 18 percent of those cases reported last year.

The number of AIDS cases in the United States rose 73.7 percent from 1992 to 1994, but much of the increase was due to the CDC's expansion of the definition of AIDS to include people with weakened immune systems, pulmonary tuberculosis, recurrent pneumonia or invasive cervical cancer.

AIDS, from p. 1

was so tight, there were distortions. He explained: "If you are funding only a small number of proposals that seem worthy, study sections tend toward more orthodox grants. They want to be sure they have a grant that is going to produce."

At the same time, experts say, the AIDS research program is saddled with a legacy of past mistakes and money is being squandered.

Mr. Hodel said most scientists and advocates, for example, thought that the current crop of AIDS drugs would be more powerful than they turned out to be. Studies were set up to test drugs that are marginally effective at best, and many clinical trials that are under way are not going to be very helpful.

"We're running trials ad nauseam that are not telling us things we ought to know," Mr. Hodel said.

Dr. Paul said another problem with some clinical trials was that they were planned as a way to provide treatment for people with AIDS. This was done largely in response to pleas on behalf of people with AIDS.

"These are precious funds, and there are all too few of them," Dr. Paul said. "The problem is when one believes that the only purpose of research is to deliver care. These people deserve care, but we can't allow research dollars to be used for that or they will be gone."

In the end, Dr. Paul said, he hopes to allow more creative thinking about how to combat AIDS. "It is hard to say there hasn't been good thinking in the field, but there are new concepts, new opportunities to be seized," he said.

Many wish him well. Dr. Paul, Dr. Groopman said, "is taking on vested interests, but he has the scientific credibility and the backbone to stand up to them." And that, he added, "has been sorely needed in government policy."

Advertising

N.Y. Times; 2-3-95

Benetton Touches a Nerve and Germans Protest

D1

By NATHANIEL C. NASH

Special to The New York Times

KASSEL, Germany — The windows of Heinz Hartwich's four clothing stores here have blood-red tape blocking out the name of his former supplier, the Italian clothing manufacturer Benetton Group S.p.A.

At the center of the X's formed by the tape, a sign in German reads: "No more Benetton, because we condemn the scandalous advertising using misery, war, sickness and death."

Benetton's advertisements, which have shown, for example, a man's arm tattooed with the words "H.I.V. Positive," have also prompted protests in France, Italy, Britain and the United States in recent years. But they provoked the most conspicuous backlash in Germany recently, reflecting this country's intense sensitivities — and guilt — over war and death.

Because of the company's provocative print and billboard advertisements, Mr. Hartwich says that customers have boycotted his store and cost him almost $600,000 in lost sales in the last year. That is why, he said, he refused to pay for an equal amount of merchandise from Benetton and tried to sever relations with the company.

"If I continue selling Benetton clothes, I would go bankrupt," said Mr. Hartwich, who has been sued by the giant clothes maker for not paying his bills.

Mr. Hartwich was one of about 70 German Benetton licensees who met in the city of Mainz in January to discuss what to do about a drop of more than 30 percent in sales at almost 150 Benetton outlets licensed among them. They blamed public protests over Benetton's advertisements, which mix tragedy with mercantilism, for the fall-off.



Benetton

Advertisements by Benetton, the apparel maker, like this one showing a man tattooed "H.I.V. Positive," have drawn an outcry in Germany.

The company's advertisements, which are produced in-house, have in recent years included pictures showing a war cemetery, an oil-soaked sea-bird, a dying AIDS patient, child labor in South America, and most recently the bloody uniform of a Croatian soldier. Some of the ads have appeared in Europe but not the United States.

Some other Benetton store owners from Italy, Spain, France and Sweden also attended the meeting of the "rebels," as members of the group called themselves.

"It is using human tragedy and suffering to sell clothes; I think that's totally cynical and without feeling," said Ulfert Engels, a Kassel lawyer who is defending Mr. Hartwich against the lawsuit by Benetton. "If you are against child labor, poverty, war, fine, take out all the ads you want. But don't put your company logo on it."

Mr. Engels now represents more than 50 rebellious Benetton retailers in Europe, most of them German, and said he added about two new clients daily. He said some of his clients had received death threats or had their store windows smashed with rocks.

"Mr. Engels is trying to generate a trial by media," said Maria Galante, a spokeswoman for Benetton. She said other loyal Benetton store owners in Germany were complaining that the bad publicity was hurting their sales.

"We're getting 10 phone calls a day by store owners who do not agree with this media circus," Ms. Galante said. "The silent majority is being ruined by the press."

Benetton officials at the company's home offices in Treviso, Italy, contend that the retail uprising in Germany was provoked by the store owners' own financial problems and business mismanagement, and not Benetton's advertisements. Sales have not fallen as far as the licensees report, the company said, but have actually risen when measured by the number of clothing items bought.

Mr. Hartwich said his troubles began in March 1993, when he arrived at his store on Wilhelmsstrasse to find it spray-painted in red with the words "No business using sickness and refugees." In the following months, he said, he found the door locks to his stores filled with glue and protesters passing out leaflets with such slogans as "I buy at the United Colors of Benetton because I'm crazy about war."

It is not difficult to understand why many Germans object to Benetton ads. Fifty years after the end of World War II, Germany remains haunted by the two world wars it started and of the deaths of millions

Cont'd on next page

Advertising

Benetton's print campaigns touch a nerve and Germans, even the company's retailers, protest.

Cont'd from previous page

of Jews in Nazi concentration camps. Germans also complain that the nation's international image is tarnished by a tiny minority of neo-Nazis and skinheads.

A poll last year by the German weekly magazine Der Spiegel found that 84 percent of Germans surveyed considered Benetton's ads distasteful. Mr. Hartwich showed a typical letter he had received.

French Court Fines Benetton

Special to The New York Times

PARIS, Feb. 2 — A French court has ordered Benetton Group S.p.A. to pay $32,000 in damages to French people infected with the H.I.V. virus for an ad campaign showing body parts tattooed with the expression "H.I.V. positive." The company said it would appeal.

Aides, a group supporting French AIDS patients, and three people carrying the human immuno-deficiency virus sued the French subsidiary of the Italian-based apparel company in 1993, arguing that the campaign was offensive to people with AIDS, which is caused by the virus.

The court, in Paris, said on Wednesday that the campaign was an abuse of freedom of expression and "a provocative exploitation of suffering." The court ordered Benetton to pay 166,000 francs, or $32,000, in damages and said that if the ad campaign continued, the company could be forced to pay another $9,600 for each poster it displayed. The company said the ads were not currently in use in France.

Albrecht A. Reinhold wrote that his family had spent up to $2,400 a year on Benetton clothing, but no longer. "Because of the aggressive, tasteless and largely damaging advertising," he wrote, "we have decided not to buy any more Benetton products."

One ad Mr. Hartwich cited for insensitivity showed the "H.I.V. Positive" tattoo.

"This reminded us of the number they tattooed onto Jews in the concentration camps," he said. "How can you combine such horrible tragedies with trying to sell clothes?"

Mr. Hartwich also accused Benetton of hypocrisy in its ad featuring a bird drenched with oil during the Persian Gulf war. "At the same time," he said, "it was spending millions of dollars funding Grand Prix racing that is polluting the atmosphere."

For Benetton, the protests and prospect of a long court battle come as the company's profits have been dampened by price-cutting and the larger recession on the Continent. Germany, which is its largest European market, had about 600 shops as recently as three years ago. There are now about 500, according to the dissident store owners, and with the drop in demand some say the German market will only be able to support 200 stores.

Four other lawsuits have now been filed in German courts against other Benetton store owners for nonpayment, Mr. Engels said. Benetton licensees say another four lawsuits have been filed in France and more are expected in Spain and Italy.

Mr. Hartwich and Mr. Engels contended that Benetton did not care that much about the protests because its corporate strategy was to reduce the number of outlets in Germany. In the United States and Britain, Benetton has gone from a vast network of small franchises to fewer, larger stores, many owned by the company itself.

"Small shop owners are being squeezed like you'd wring out a washcloth,' " Mr. Hartwich said. "We're trying to get together because we now see it as our only chance to survive."



Agence France-Presse

"If I continue selling Benetton clothes, I would go bankrupt," said Heinz Hartwich, who posted signs at his stores assailing Benetton's ads.

Wash. Post; 2-3-95

Study Says U.S. Has Better Barrier to Bad Drugs Than Europe

By John Schwartz
Washington Post Staff Writer

The American system of drug regulation works better than several European nations' programs at preventing dangerous drugs from reaching consumers, a new study released yesterday concluded.

The Public Citizen Health Research Group compared the number of drugs that had to be taken off the market after approval in four countries because of dangerous side effects. Of 56 drugs withdrawn from the market between 1970 and 1992, 31 were withdrawn in France, 30 in Germany, 23 in the United Kingdom and nine in the United States. (In several cases, the same drug was withdrawn in more than one country.) Of the nine drugs withdrawn from the U.S. market, three of the manufacturers later pleaded guilty to criminal charges of having withheld evidence of drug risks from regulators.

The report shows that America's drug regulatory system "protects people from a large number of products that kill and injure people in other countries," said Sidney M. Wolfe, executive director of the Health Research Group. "It really is 'advantage—U.S.' by far." Wolfe's organization long has been critical of the Food and Drug Administration's drug approval process, which it contends lets too many hazardous drugs and devices onto the market.

"By having lower safety and efficacy standards, other countries are making guinea pigs out of their population," Wolfe said. By watching the performance of newly marketed drugs in other countries, FDA officials often learn the unforeseen side effects of new medications, he added.

The FDA often has been criticized by companies that make drugs and medical devices for its slowness in approving new products, which they contend hurts American competitiveness and ill serves patients. In recent months, support for anti-FDA legislation has grown as Republicans took control of both chambers of Congress. On Wednesday, Rep. Thomas J. Bliley Jr. (R-Va.), chairman of the Commerce Committee, which oversees the agency, criticized the FDA in a speech to the National Committee for Quality Health Care.

"It just breaks my heart when I think of American citizens having to go to Switzerland or Mexico to get the drugs and devices they need to stay alive because the Washington bureaucracy won't approve them," he said. "And I promise you this session there will be—repeat, there will be—reforms in the way that the Food and Drug Administration does business."

Several conservative think tanks also have announced that they are looking at ways to reform or even restructure the agency. Sam Kasman, general counsel for the Competitive Enterprise Institute, said Wolfe's study was misleading. "If you did not approve any drugs, you would not have any drug recalls. You've got to compare the damage of what was done by any drug's recall to the therapeutic advantage of those drugs that were released earlier in Europe than they were here," Kasman said.

Steve Berchem, a spokesman for the Pharmaceutical Research and Manufacturers Association, said, "We feel strongly that we need to have high safety standards at the FDA. There's no doubt that there need to be improvements." Berchem noted that the agency only approved one new drug produced through biotechnology last year, and said that products such as a vaccine for hepatitis A, which is available in 40 countries, need not be held up in the U.S. regulatory process.

Several of the drugs cited in the study were never approved for the U.S. market. Clometacin, an anti-inflammatory drug, was linked to 130 reports of liver damage—including nine deaths—in France. The anti-inflammatory drug Indomethacin-R, marketed and later withdrawn in Britain and Germany, was linked to 717 reports of adverse side effects, including 36 deaths. Terodiline, a treatment for urinary incontinence, was linked to 69 reports of irregular heart rhythm in Britain and Germany, including 14 deaths.

FDA spokesman Jim O'Hara welcomed the results of the Public Citizen study. "The United States sets the gold standard for safety and efficacy of drugs in many ways, and this is one more sign of that."

Wash. Post; 2-3-95

FDA Move to Clarksburg Favored by Most at Hearing

By Karl Vick
Washington Post Staff Writer

If significant opposition exists to the U.S. Food and Drug Administration's planned move to tiny Clarksburg, it failed to emerge last night at the only public hearing scheduled on the agency's mammoth, $675 million consolidation.

Fewer than 200 people showed up at Gaithersburg High School for the hearing before representatives of the FDA and the General Services Administration. And most of the 25 speakers welcomed the FDA, which plans to assemble 5,600 employees on a headquarters campus alongside Interstate 270 in upper Montgomery County.

"Your site is in the midst of our pastures and our corn fields, which we love, but we recognize you need a home," said Harold F. Baker, president of the Upcounty Citizens Advisory Board, one of many local groups federal planners diplomatically briefed in advance of the hearing.

Staff members from two environmental groups voiced reservations about the site's distance from mass transit, and a pair from Citizens for a Sound Economy suggested that the 2.6-million-square-foot facility epitomized government waste.

But people who live near the site, called the Clarksburg Triangle, expressed relief that the FDA campus would have less impact on the scenic, rural area than the high-density housing called for by the county's master plan.

Residents also welcomed word that the incinerator planned for the site would burn only pathological waste, consisting largely of small-animal remains, and not medical waste.

"The incinerator is a toy compared to what the NIH has," said General Services Administration official Jag Bhargava, referring to a much-criticized facility at the National Institutes of Health in Bethesda.

A proposal to store relatively small amounts of low-level radioactive waste on the site generated little comment.

The agency is scheduled to submit a final environmental impact statement to the Environmental Protection Agency this spring. If approved, construction would begin in December.

USA Today; 2-3-95 p. 1

Group: FDA's tough drug rules save lives

By Doug Levy
USA TODAY

Strict rules on marketing kept at least 47 dangerous drugs off U.S. shelves while patients in Europe were hurt or killed, a consumer group says.

The report's goal: thwart efforts to reduce Food and Drug Administration regulation.

People in France, Germany and Britain have been "killed and seriously injured by drugs that we keep off the market," says Dr. Sidney Wolfe of Public Citizen Health Research Group. Among his examples:

- Pain reliever Indomethacin-R, sold in Britain and Germany in 1983; removed after 36 deaths.
- Fenclofenac, a pain reliever sold in Britain in 1984, was withdrawn after seven deaths.
- A drug to prevent urinary incontinence, Terodilene, was sold in Britain and Germany in 1991; withdrawn after heart problems and 14 deaths.

But only nine drugs approved by the FDA since 1970 were pulled for safety concerns by 1992, says Wolfe.

Still, Steve Bercham, of the Pharmaceutical Research and Manufacturers of America, says the average 20 months for FDA drug approval is too long.

"Patients are suffering and dying waiting for important drugs to be approved in this country," says Bercham.

DANGEROUS MEDICINE

Between 1970 and 1992, 56 drugs were removed from the market in France, Germany, Britain or the United States because of safety problems.

COUNTRY	DRUGS MARKETED AND LATER WITHDRAWN 1970-92
France	31
Germany	30
Britain	23
United States	9

NOTE: Some of the 56 drugs were withdrawn in more than one country

SOURCE: Public Citizen Health Research Group

THE WASHINGTON POST

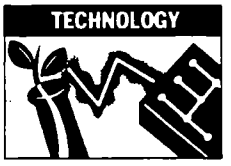
MICHAEL SCHRAGE

Wash Post; 2-3-95

Drugmakers Need to Find New Ways To Make Their Voyages of Discovery

Without a hint of arrogance or condescension, drug industry entrepreneur Alejandro Zaffaroni politely explains the multibillion-dollar merger and acquisition frenzy sweeping the pharmaceutical industry: The world's biggest drug companies have lost faith in their abilities to create profitable new drug therapies. Their costly innovation infrastructures no longer reliably yield either breakthroughs or blockbusters.

"They don't have the confidence that their R&D process alone is going to sustain them into the future," Zaffaroni asserts. "As all these acquisitions indicate, they wouldn't know how to use their money to do development better than what they are already doing."



Zaffaroni should know. The drug giants have put their money where his mouth is. Even as Glaxo Holdings PLC bids to become the world's largest pharmaceutical house by offering $14 billion for Wellcome PLC, it is also paying $533 million in cash to acquire Zaffaroni's Affymax—a high-tech drug discovery company he launched barely five years ago. "What we are providing to Glaxo will put them in a position to be significantly ahead of everyone else," Zaffaroni insists.

The goal of Affymax isn't merely to identify valuable drug compounds, Zaffaroni stresses, but to apply new technologies in ways that radically reduce the costs of discovering new drugs. Typically, the industry maintains, it takes a decade and more than $350 million to find a drug and bring it to market. The real challenge facing the pharmaceutical giants isn't just creating compelling new drugs, it's fundamentally transforming the economics of innovation.

But as merger and acquisition fever infects the entire industry, Zaffaroni fears that market leaders will be hot to pursue economies of scale rather than the new economics of drug development. Efficiencies in research and development will be attained through consolidation rather than through innovation. The pharmaceutical industry, says Zaffaroni, would still rather discover new blockbuster drugs than develop new ways to discover blockbusters.

So as the world's pharmaceutical lords anticipate their top blockbusters coming "off patent" and facing generic competition, there has been a failure of nerve, a failure to cost-effectively manage research investments and a surprising failure to successfully take advantage of emergent biotechnologies.

"Biotech is one of the opportunities that is being missed," Zaffaroni says. "Typically, a pharmaceutical company has a detective system where people go around visiting these entrepreneurial biotech companies and then deciding whether or not to make an investment. The only way to make these things fly—the only way to really be provocative and effective—is to have a biotech center of your own providing the expertise to monitor the research and contribute complimentary technology to accelerate development."

Consequently, says Zaffaroni, the real issue is less about managing consolidation than insisting upon integration: "All the companies are telling you, you know, that we have changed," he says. "But they haven't. Those companies that don't do it are going to be dead."

The best hope for the giants, says Zaffaroni—who has co-founded or run no fewer than five drug-related companies—is to ask, "What are the key variables in medical economics for the development of new drug therapies?" and rethink themselves accordingly. One critical insight is that the drug alone is not a therapy.

For example, says Zaffaroni, medical research indicates that many cases of congestive heart failure are "compliance failures"—that is, people with heart disease who did not take their medicine appropriately. Indeed, many surveys indicate that a significant percentage of patient problems are due to lack of compliance. Zaffaroni argues that pharmaceutical companies have to invest in technologies to monitor compliance, and ways of delivering drugs that ensure compliance, if they want to help guarantee the cost-effectiveness of their drugs.

Similarly, biotechnology now makes it easier to identify the "gene markers" of people who are genetically predisposed to respond very well—or not at all—to certain drugs. "If they don't have the gene marker for a certain receptor," says Zaffaroni, "then you're wasting your time and money treating them with that particular drug."

In other words, our increasing knowledge of the human genome will allow doctors and pharmaceutical companies to better define the populations that will best respond to therapies. That inherently makes drug therapies better focused and more cost-efficient. The more genetic information that's generated, says Zaffaroni, the better tailored and targeted drug therapies will become. Your genetic profile will become an indispensable part of the medications you might be prescribed.

"One approach admittedly looks prosaic while the other looks really scientific," says Zaffaroni, "but they are both essential to creating the most cost-effective process. . . . If you want to be a truly successful company creating the great pharmaceutical products of the future, you're going to have to change your approach."

Will the industry forces driving pharmaceutical mergers and acquisitions simply overwhelm the economic analysis offered by one of the industry's most successful entrepreneurs? Or will it command a new level of introspection by companies that feel compelled to go outside to procure their innovations? Zaffaroni is not optimistic: "These are big companies; they take a very long time to change."

Michael Schrage is a writer, consultant and research associate at the Massachusetts Institute of Technology, and a columnist for the Los Angeles Times. He can be reached at schrage@latimes.com by electronic mail via the Internet.

IN THE LOOP

Wash. Post; 2-3-95

With All Deliberate Speed . . .

By Al Kamen
Washington Post Staff Writer

Confirmation speed is going to be an increasingly important factor in the last two years of President Clinton's term. Folks may start turning down jobs if they appear to be scarcely more than one-year postings. The Clinton White House appears to be catching on and closing in on filling some important and long-vacant jobs.

Former senator **Jim Sasser** (D-Tenn.), who lost in November to Sen. **Bill Frist** (R), is just about a done deal to be the next U.S. ambassador to China. Sasser, now going through a background check, may not be fluent in Mandarin, but he has the advantage of senatorial courtesy to ensure swift passage to Beijing. He would replace holdover **J. Stapleton Roy**, a career foreign service officer.

On the domestic front, former Missouri representative **Alan Wheat** (D), who lost a Senate bid to Republican Sen. **John D. Ashcroft**, is the president's pick to be the next deputy director of the Office of Management and Budget.

The job, vacant since OMB Director **Alice M. Rivlin** moved up to replace Chief of Staff **Leon E. Panetta** last summer, was to have gone to liberal budget expert **Robert Greenstein**. A change in the Senate climate prompted Greenstein to withdraw in order to engage in the battle of the budget from outside the administration.

Wheat, an economist, state representative and 10-year House member, is expected to be announced soon.

Another top possibility for the post, Deputy Labor Secretary **Thomas Glynn**, is said to have withdrawn from consideration. Sources said the problem was that, with Labor Chief of Staff **Cathryn "Kitty" O'L. Higgins** moving in as White House Cabinet secretary, the departure of Glynn as well would be too disruptive to **Robert B. Reich's** operation.

Also at OMB, **Christopher Edley Jr.**, program associate director for economics and government, is leaving at the end of this month to return to his teaching job at Harvard. His replacement is **Robert Litan**, a deputy to assistant attorney general **Anne K. Bingaman** in the antitrust division. Litan, an economist and lawyer, is an old Rivlin pal from Brookings Institution days.

Getting a Line on the Unfillable Position

■ Here's the latest on "The Job That Couldn't Be Filled." Yet another name has surfaced for the job of U.S. archivist, a postion that's been open for the entire Clinton presidency— and this with a spanking new state-of-the-art facility in College Park.

Former Kansas governor **John Carlin** was seen at the White House last week interviewing for the job. Carlin, a two-term governor from 1979 to 1987, has a bachelor's degree in dairy science and has been an international trade consultant since leaving office. It's not clear what precise qualifications he has for the position, but it might be best if he has none. The special interests on this one—historians, archivists and presidential library fans—will stir up a storm over anyone with qualifications, so why not a former governor?

Early Clinton Backer to Leave for Private Sector

■ **Mark E. Middleton**, one of the first people employed by the Clinton campaign and now top deputy to counselor **Thomas F. "Mack" McLarty**, is leaving next week to become senior vice president for international relations, directing global and strategic planning for corporate financier **Steven J. Green's** varied companies. Green, among other things operates real estate and capital venture companies around the world.

B. Robert Okun, an assistant secretary for legislation in the Bush Department of Education and more recently floor assistant and Senate liaison for former House GOP leader **Robert H. Michel** (R-Ill.) is becoming vice president and head of the Washington office of NBC.

An Announcement on Presidents Day Perhaps?

■ **President Clinton** decided to name the Navy's newest nuclear aircraft carriers "USS Harry Truman" and "USS Ronald Reagan" and had planned to include the announcement in his State of the Union address last week.

The idea was that Clinton would mention the decision, suggested to him last month by Sen. **John W. Warner (R-Va.)**, during a portion of his speech on military preparedness. Clinton mentioned the popular Democratic and Republican presidents during his speech, but the carrier announcement was cut. A White House source said Clinton felt it just didn't fit in and decided to make it at a later date.

It's not known if anything else was cut from the 81-minute speech.

A Team in Place at House Reform Panel

■ Now, the new team for House Government Reform and Oversight Committee Chairman **William F. Clinger Jr.** (R-Pa.): **Robert Charles**, who worked in the Bush White House as deputy associate director in the Office of Policy Development, is staff director on the subcommittee on National Security, International Affairs and Criminal Justice; **Lawrence J. Halloran**, formerly legal counsel to former Connecticut governor **Lowell Weicker Jr.**, is staff director of the subcommittee on Human Resources and Intergovernmental Relations; **Russell George**, associate director for policy in the Bush White House, is staff director of the subcommittee on Government Management, Information and Technology; government and corporate consultant **George Nesterczuk** is staff director of the subcommittee on Civil Service; **Mildred Webber**, a former Senate aide, Bush White House official and political consultant, is staff director of the subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs; **Ronald P. Hamm**, an aide on the late full committee on the District of Columbia Committee, is staff director of the new D.C. subcommittee; and **Dan Blair**, GOP general counsel on the old Post Office and Civil Service Committee, is staff director on the new subcommittee on the Postal Service.



BY DUDLEY M. BROOKS—THE WASHINGTON POST

President Clinton, addressing the National Prayer Breakfast, urged the use of words "to build up and unify."

Wash. Post; 2-3-95 p. 1

Differentiating Reputation, Character

By Laurie Goodstein
Washington Post Staff Writer

President Clinton drew a distinction between "reputation and character" in an interview yesterday with religion reporters, and said that while he had "increasingly less control" over his reputation, he still had "full control" over his character.

"That's between me and God," he said in the Oval Office session.

Clinton said he had wasted too much time and energy—"emotional as well as intellectual"—worrying about personal attacks made by his opponents, and so had cheated the American people he was elected to serve. "And I'm not going to do it anymore."

"Sometimes you can actually disprove something someone says about you, but a lot of times people can lie about you in ways that you can't disprove," Clinton said.

The president, who has been buffeted with questions about his personal morality, said he had found strength in his belief in God's unconditional love. He portrayed himself as someone who had sinned and suffered. But he said he found solace in rereading Psalms, especially those in which the biblical David asks God to wash away his transgressions.

He had spent the morning at the National Prayer

Cont'd on next page

Clinton Addresses Issues of Religion And Reputation

Cont'd from previous page

Breakfast, the annual gathering at the Washington Hilton where world leaders join students and prisoners on day passes for a few hours of religious inspiration.

Clinton is a Southern Baptist and a regular churchgoer who comfortably weaves scripture into speeches. But among his most outspoken critics are religious people who do not accept Clinton's faith as genuine.

"They don't believe it's genuine because they disagree with me politically," Clinton said. "They don't believe you could be a committed Christian" and still take the positions he has taken in favor of abortion rights and allowing gays in the military.

"The Bible is full of refutations" of his opponents' anti-homosexual viewpoint, Clinton said. Of his critics, he said, "I can't worry about them. Let them think what they want."

Clinton appeared genial and relaxed, and smiled when a questioner mentioned one of his most vociferous clerical critics, the Rev. Jerry Falwell. He talked about the need for welfare reform and said reducing teenage pregnancy is a high administration priority.

But his left foot spun fast nervous circles as he talked about how "it takes away from my ability to be president . . . to focus on the American people, if I have to spend all my time trying to answer charges about what people say that I did years ago."

In response to a question about the Christian Coalition, the conservative Virginia-based political organization founded by Pat Robertson, Clinton said, "Everybody knows that they basically are an arm of the Republican Party."

Clinton said he believes that "they will come to be seen more and more like a political party with an agenda," akin to the large European political parties that employ the name "Christian," such as German Chancellor Helmut Kohl's Christian Democratic Party.



BY DUDLEY M. BROOKS—THE WASHINGTON POST

The Clintons attend National Prayer Breakfast, where the president spoke briefly from pulpit.

He criticized the coalition for distributing voter guides in the last election that he said in at least one case erroneously characterized the Democratic candidate's position. "They're using the emotions of people of faith who are deeply disturbed for good reasons with what's going on in our country today, and channeling those emotions into convictions about people in public life that aren't true," Clinton said. "That could hurt their credibility."

Ralph Reed, executive director of the Christian Coalition, said in a telephone interview that the coalition's agenda crosses party and ideological lines, and offered as evidence the names of several Democrats he said his group had supported in the last election.

"I'm not questioning his faith," Reed said of Clinton. But "unless this administration reverses its disturbing insensitivity to people of faith and moves back to the center on some of the social issues, a pro-life, traditional-values Democrat in the model of [ex-Pennsylvania governor] Bob Casey will likely challenge President Clinton in the Democratic primaries in 1996."

At the prayer breakfast, in eight minutes at the pulpit, Clinton preached about the increasing power of words in an age when even the most outrageous allegations quickly find their way into print.

"The communications revolution gives words not only the power to lift up and liberate," Clinton said, but "the power to divide and destroy as never before." He said that "there's not a person in this room . . . including me," who had not failed to heed the admonition of Saint Paul to "repay no one evil for evil."

In a hoarse voice, he beseeched the crowd, which included military officers and members of Congress, to "use our words more to build up and unify." More than 2,900 were listening in the ballroom and 900 in an overflow room.

N.Y. Times; 2-3-95

Clinton Says Psalms Bring Him Relief

Criticizes Harshness In Political Discourse

By GUSTAV NIEBUHR 89
Special to The New York Times

WASHINGTON, Feb. 2 — Seeking solace from his recent political troubles, President Clinton said today that he had just read the entire Book of Psalms, 150 hymns that praise God and often ask divine relief from sufferings inflicted by enemies.

Friends, he said, have faxed him passages from Scripture on a daily basis, apparently as gestures of support and encouragement.

"During this difficult period, a lot of people were giving me different Psalms to read," Mr. Clinton said. "It was amazing, and so I did."

The President discussed his spiritual reading in an Oval Office interview this morning with eight reporters who cover religious issues. The meeting was arranged by the White House.

In the interview, and earlier in the day in a speech at the 43d annual National Prayer Breakfast, the President also criticized the use of harshly negative language in political discourse, a trend that he said had reached extreme levels.

"The communications revolution gives words the power not only to lift up and liberate but the power to divide and destroy as never before — just words — to darken our spirits and weaken our resolve and divide our hearts," he said at the prayer breakfast, an annual event sponsored by House and Senate prayer groups, that drew well over 3,000 politicians, judges and others to the Washington Hilton Hotel and Towers. Taking a passage from St. Paul's Letter to the Romans (12:17), Mr. Clinton quoted: "Repay no one evil for evil, but take thought for what is noble in the sight of all."

In the interview, Mr. Clinton singled out negative political campaigning to illustrate what he meant by destructive language. Later, his senior adviser, George Stephanopoulos, said the President had in mind a broader public discourse, from talk radio shows to "the kind of language around the whole issue of abortion."

Throughout his Presidency, and often in periods of political difficulty, Mr. Clinton has never been reluctant to speak out about his religious thoughts and commitments.

Since he signed the measure in November 1993, he has frequently called attention to his backing for the Religious Freedom Restoration Act, a bill supported by an unusual coalition of religious groups of both left and right. The measure would raise the threshold for government intervention in religious practices.

Last October, he told a gathering of Baptist journalists that he had been reading more religious books than he ever had in his life. He also said he had read the scriptural passages usually cited by conservatives against abortion but found them to be ambiguous, at least in terms of guiding a legal response to abortion.

Still, none of this has much helped Mr. Clinton among some of his bitterest critics, religious conservatives who accuse him of attempting to use his faith for political points.

"I think the truth is that there are people who don't believe it's genuine because they disagree with me politically," the President said, in response to a question.

"You know, I need the power of God," he said. He added that religious belief was an important part of his life. "And the same thing is true for Hillary."

Mr. Clinton did not cite any particular Psalms that had touched him. Traditionally attributed to King David, many speak vividly of bitter personal afflictions and call on God for relief.

But the President said, "There are a lot of the Psalms where David is sort of praying for the strength to be sort of purified in the face of adversity, and in the face of his own failures."

Later, Mr. Stephanopoulos said the president cited five Psalms as being important to him now : Psalms 25, 27, 90, 103 and 139.

Mr. Clinton also indicated that he has been reading the Proverbs, which immediately follow the the Book of Psalms: "There are a lot of the Proverbs which talk about the importance of keeping a quiet tongue, and at least not getting in your own way, which I've done a lot in my life, and which I've tried, even still, to grow out of."

Responding to other questions on less personal topics, Mr. Clinton defended his proposal for welfare reform and also criticized the Christian Coalition.

Speaking of the group's support for Congressional Republicans' Contract with America, Mr. Clinton said, "I think everybody knows that they basically are an arm of the Republican Party, and that they're going to take all these positions."

In response, Ralph Reed, the coalition's executive director, said, "Our agenda isn't a Republican agenda or a Democratic agenda, it's a profamily agenda."

Throughout the interview, Mr. Clinton returned to a theme he had sounded recently before religious audiences, pledging not to be caught up in trying to reply to personal attacks on him.

"There is a difference between reputation and character, and I have increasingly less control over my reputation but still full control over my character," he said. "That's between me and God, and I've just got to be purified by this."



Associated Press

President Clinton prayed with the Rev. Billy Graham, right, at a breakfast with religious writers. At center is the event's chairman, Martin Lancaster, and, rear, Senator Robert F. Bennett, Republican of Utah, and Vice President Al Gore. Mr. Clinton told the writers he had just read the Book of Psalms.

'Repay no one evil for evil, but take thought for what is noble.'

Wash. Post; 2-3-95 p. 1

Book Sheds Light on Clinton Past

Sex, Draft Issues Threatened Race

By Ann Devroy
Washington Post Staff Writer

A new biography of President Clinton sheds additional light on Clinton's attempts to deal with the political impact of two issues that dogged him throughout his 1992 campaign and into his presidency: his extramarital affairs and successful effort to avoid military service during the Vietnam War.

In "First in His Class," Washington Post staff writer David Maraniss reveals that Clinton decided against running for president in 1988 after his then chief of staff, Betsey Wright, began listing the names of women with whom he allegedly had affairs and asked him to tell her the truth about each one. The two went over the list twice, she says in the book, to determine which women might talk publicly and which would not, and at the end of that exercise, Wright "suggested that he [Clinton] should not get into the race" out of deference to his wife and daughter.

The book recounts conversations Clinton had with several other associates and advisers in that period over the possible effect the affairs could have on his candidacy.

Late last night, Alan Cohen, a

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lawyer for Betsey Wright, issued a statement on her behalf asserting that she had been misunderstood by Maraniss. In response, the author said he had read to Wright before the book's publication all references to her and she responded that he had accurately reported in the book all she had said.

In the book, Maraniss writes that as a congressional candidate in 1974 Clinton was so concerned about the possible repercussions of a letter he had written five years earlier thanking an ROTC colonel for "saving" him from the draft that he arranged to have what he thought was the original letter destroyed. Unbeknownst to Clinton, a copy was made and became a major issue when it surfaced in the 1992 campaign.

Maraniss's book is a broad character study of Clinton before he won the White House, focusing on the forces that shaped the 42nd president from his boyhood in Arkansas to his decision to enter the 1992 race. It is based on interviews with more than 400 people, including Clinton's friends, colleagues and relatives. Clinton declined to be interviewed for the book, but some material is drawn from five interviews that Maraniss had with Clinton while covering Clinton's 1992 presidential campaign.

Excerpts from "First in His Class" will be published in The Post beginning Sunday.

Asked about Wright's description of her meeting with Clinton and Clinton's effort involving the ROTC letter, White House press secretary Michael McCurry said last night: "These issues surfaced during the campaign and they were effectively dispensed with. I am not sure there is any real news here to comment on."

"First in His Class" presents a complex young man whose life before the presidency demonstrated many of the traits—intelligence, energy, passion for government and politics and new ideas—that Clinton exhibits today. But it also presents another side of Clinton—someone who shaded the truth, showed little personal discipline or focus, exhibited a volatile temper and was perpetually reluctant to make decisions—revealed during his presidency.

"With Bill Clinton it is often tempting but usually misleading to try to separate the good from the bad, to say that the part of him that is indecisive, too eager to please and prone to deception is more revealing of the inner man than the part of him that is indefatigable, intelligent, empathetic and self-deprecating," Maraniss writes. "They coexist."

Maraniss writes in his preface that "First in His Class" was not intended to be "a book preoccupied with Clinton's sex life." But one of the threads that runs through it is Clinton's political ambition, and a subtext to that are his efforts to eliminate evidence of flaws that might come back to haunt him in a campaign.

The belief among Clinton's aides that his extramarital affairs were a problem appears throughout the book, but is most telling in a few short paragraphs describing a session Clinton had with Wright, his chief of staff when he was Arkansas governor and a longtime political confidant.

Maraniss writes that Wright said she confronted Clinton about his affairs when he was considering a run for the presidency in 1988 because "she was convinced that some state troopers were soliciting women for him and he for them, she said."

Gary Hart had recently ended his candidacy for president after admitting an extramarital affair, and it was time, Wright said, for Clinton "to face the issue squarely." She said she told Clinton "I want you to tell me the truth about every one" of the women, and described going over the list with him.

Wright, in her statement, said, "I think that David Maraniss may have misunderstood what I told him about the troopers. What I believe is that some of them solicited women for themselves, exploiting the fact that they worked for the governor. I do not believe that they ever solicited women for the governor, certainly not with his knowledge. My recommendation that the governor not run for president in 1988 was based on my fear that in the climate of Gary Hart that liars and gold-diggers would come out of the woodwork. What I learned from my conversation with the governor was that the rumors were nothing in reality. My concern was for the impact that the rumors would have on Chelsea and Hillary.

"My fears were borne out in the 1992 campaign when liars and gold-diggers did emerge, and I proudly and truthfully defended Governor Clinton against them. My admiration was strong for his determination to keep his marriage intact, and I became upset that his public acknowledgement of troubles in his marriage then made him more vulnerable to the lies."

The statement concludes, "Any so-called cover-up for Bill Clinton was the usual staff role in explaining why he was late for a meeting or couldn't see someone or couldn't agree with them."

In response to Wright's comments, Maraniss said last night: "I interviewed Betsey Wright several times for my book and based my account of her dealings with Bill Clinton directly on what she told me during those interviews. Before the book's release, I met with her and read to her the sections related to her. Her response at the time was that I had fairly and accurately reported what she had said. During the two years I spent working on this biography, I came to understand the complicated love-hate relationship between Betsey Wright and Bill Clinton, which seems to be in evidence again."

Wright's lawyer, Cohen, would not allow Wright to be interviewed nor would he answer questions about how he came to issue the statement. But White House press secretary McCurry said last night that the president had called Wright on Wednesday, the day The Post informed the White House a story was being published about the book and outlined to McCurry the content of the story. That day, The Post also provided to McCurry pages from the book containing the Wright assertions.

McCurry said Clinton's phone call to Wright was not prompted by the book but by Clinton's seeing her on a recent television show and contacting her about that. He said, however, that the two did discuss the book allegations. McCurry denied that Clinton asked Wright to issue a statement saying she was misunderstood. McCurry said he was told Wright expressed to Clinton regrets that she had been misunderstood and her comments misconstrued in the book.

Allegations that Clinton had affairs and used state troopers to find women for him are not new. The book recounts how Clinton addressed the issue of the affairs as he began his 1992 campaign by formulating a response that tacitly acknowledged the situation by stating he had had "problems" in his marriage but had worked them out.

The allegation that as governor Clinton used Arkansas state troopers to solicit women erupted last year when the American Spectator, a conservative magazine, published an article quoting state police officers alleging that a decade ago they regularly recruited women for sexual liaisons with Clinton.

Later, Paula Jones, a former Arkansas state employee, sued Clinton and others alleging sexual harassment in charging she had been solicited by one of the troopers who brought her to a hotel room where Clinton sexually propositioned her.

Clinton has flatly denied he used state troopers to solicit women, an al-

Cont'd on next page

N.Y. Times; 2-3-95

Court Strikes Down a Gay Health-Care Benefit

ST. PAUL, Feb. 2 (AP) — Minneapolis may not offer health care benefits to the partners of its gay employees, a state appeals court has ruled.

In a 2-to-1 decision filed on Tuesday, the Minnesota Court of Appeals upheld a district judge's decision last June striking down the city policy.

The court agreed that state law did not recognize same-sex partners as dependents or spouses and that the Minneapolis City Council acted beyond its authority when it adopted the domestic partners ordinance in August 1993.

The ordinance was challenged by a taxpayer who argued in a lawsuit that the city had no legal authority to extend health insurance benefits to same-sex partners. The suit said the ordinance violated state public policy "favoring marriage of heterosexual couples."

The city argued that the granting of employee health care benefits was a purely local matter. The court disagreed, ruling that the State Legislature traditionally defined the scope of municipal employees' benefits.

The court also noted that the state's gay rights law said Minnesota did not authorize the recognition of same-sex marriages and that the bill's sponsor told lawmakers it would not lead to benefits for domestic partners. Given that, the court said it was apparent that the Legislature did not intend to expand benefits to same-sex partners.

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legation that goes beyond extramarital affairs to suggest the improper use of state government employees. Wright's on-the-record substantiation of the allegations amounts to a significant turnabout. Until her interviews with Maraniss, she consistently defended Clinton against such charges, even describing herself in 1992 as being the campaign person designated to be in charge of handling "bimbo eruptions" about Clinton.

Writing about the other major issue that has been used to raise "character" questions about Clinton, Maraniss describes how Clinton and his aides have been concerned from the beginning of his political career about the period in the late 1960s when Clinton, then a Rhodes scholar at Oxford University, agonized over what he should do about military service.

Maraniss provides new details on a variety of versions Clinton has given of this chapter in his life and adds a new piece of evidence on how concerned Clinton was early in his political career about how his efforts to get into the ROTC to avoid being drafted would later look.

A central part of the story is a letter Clinton wrote to Col. Eugene J. Holmes, director of the University of Arkansas ROTC program, after Clinton had withdrawn from the program and received a high number in the draft lottery that would ensure he would not be drafted. In the letter, Clinton thanked Holmes, who Maraniss describes as being pressured by prominent Arkansas politicians to let Clinton into the program, for "saving" him from the draft.

The letter also noted that the only reason he had temporarily decided to expose himself to the draft was to "maintain my political viability within the system." When the letter emerged publicly during the 1992 presidential campaign, it caused firestorm of criticism of Clinton's behavior.

The effort to retrieve the letter, according to Maraniss, began as Clinton embarked on a campaign against then-Rep. John Hammerschmidt (R), a World War II veteran with strong ties to Arkansas veterans groups and a supporter of the Vietnam War. Clinton, according to aides quoted by name in the book, feared the letter would become public. One of those friends, Paul Fray, is quoted as telling Clinton he would be "in a pickle" if he did not get the letter back.

According to the book, it is unclear exactly how Clinton contacted Holmes, whether directly or through friends. But ROTC drill instructor Edward Howard is quoted as recalling that Holmes called him and said he wanted the Clinton letter out of the unit's files.

Howard said he called their unit commander, Col. Guy Tutwiler, and told him of Holmes's request. Tutwiler instructed him to make a copy of the letter and give it to Holmes but to keep the original. Later, Tutwiler called Howard again and told him to take the original letter and everything else in the file and send it to him by certified mail. Howard quoted Tutwiler as telling him he had "destroyed the file, burned the file."

Fray told Maraniss that Clinton ended up with a copy of his letter to Holmes and assumed the problem was behind him.

In 1991, as he prepared to launch his presidential drive, Clinton was described as being convinced the draft would not be an issue because the controversial records were gone. Maraniss quotes Howard, the drill instructor, as warning Clinton that reporters had heard there was such a letter and had been asking about it.

"Don't worry about that," Clinton said, "I've put that one to bed."

Clinton then asked what Howard was telling the press. When Howard answered nothing, Maraniss writes, Clinton replied, "Good."

Clinton did not know that Holmes's top aide, Lt. Col. Clinton Jones, had made a copy of the letter.

Wall St. Jrnl.; 2-3-95

Gingrich Introduced Legislation to Aid Firm That Was Donor to Think Tank

By PHIL KUNTZ A14
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – Rep. Newt Gingrich introduced three bills in the last Congress to suspend duties on drug ingredients imported by a company that contributed $30,000 to a think tank affiliated with the congressman.

Solvay Pharmaceuticals Inc., a subsidiary of the Belgian chemical giant Solvay SA, also had successfully sought Rep. Gingrich's help in trying to speed Food and Drug Administration approval for one of its drugs. Solvay Pharmaceuticals has headquarters in Mr. Gingrich's district in Marietta, Ga.

Dale Hetzler, Solvay vice president, yesterday provided additional details about the company's dealings with Mr. Gingrich but reiterated that there wasn't any connection between Solvay's donation to the Progress and Freedom Foundation and Mr. Gingrich's official help. "His affiliation with the Progress and Freedom Foundation was maybe not insignificant, but unimportant," Mr. Hetzler said.

Duty-suspension bills are frequently introduced by members of Congress on behalf of constituent corporations. Mr. Gingrich's spokesman, Tony Blankley, didn't return telephone calls seeking comment.

Ethics Adviser Urged

Mr. Gingrich's spokesman, Tony Blankley, didn't return telephone calls seeking comment.

Meanwhile, the public-interest lobby Common Cause urged the House Ethics Committee to appoint an "outside ethics adviser" to recommend whether it should approve or reject the House Speaker's book deal with media baron Rupert Murdoch's HarperCollins Publishing. Common Cause also suggested that the expert advise the panel on whether to open a formal inquiry into allegations of fund-raising improprieties leveled against Mr. Gingrich by his defeated opponent, Georgia Democrat Ben Jones.

The foundation's fund-raising activities are central to Mr. Jones's complaint. The nonprofit group was begun by Gingrich associates in 1993 and now sponsors his nationally-televised college class as well as a separate National Empowerment Television network talk show. It also is studying, at Mr. Gingrich's behest, ways to speed the FDA's drug-approval process, a project that has prompted a number of drug companies to donate money to the foundation.

Donation Solicited, Firm Says

Mr. Hetzler said Solvay was first asked for a donation in the summer of 1993 by the foundation president Jeffrey Eisenach, who at the time had just left his job as the executive director of Mr. Gingrich's political-action committee, Gopac.

The company contributed $30,000 to the foundation in mid-January 1994 to support the group's FDA study, Mr. Hetzler added. "The subject of that project was the only thing that interested us," he said. Mr. Eisenach declined to comment.

About the same time that Mr. Eisenach approached the firm, Mr. Gingrich on July 27, 1993, introduced two bills at Solvay's request. Then the House GOP whip, Mr. Gingrich sponsored a total of only nine bills during all of the 1993-94 Congress. One of the Solvay bills would have suspended the import tariff on fluvoxamine, a key ingredient of Luvox, Solvay's drug for obsessive-compulsive disorder. The other would have extended a previous suspension of a duty on lactulose, a laxative ingredient.

"Suspending the duty on these two products will significantly help make a fine American company, Solvay Pharmaceuticals of Marietta, Ga., much more competitive," Mr. Gingrich said in a statement inserted in the Congressional Record. Mr. Gingrich in May 1994 introduced another version of the fluvoxamine bill, which Solvay told the International Trade Commission would have cost the government more than $700,000 in forgone revenue.

The three Solvay bills became moot late last year when Congress approved a world trade agreement that eliminated all pharmaceutical duties. In July 1994, Mr. Gingrich wrote a letter pressing the FDA to justify a delay in approving Solvay's Luvox application.

N.Y. Times; 2-3-95

Helms Seeks Law to Restrict Gay Groups in Government

By STEVEN A. HOLMES B9
Special to The New York Times

WASHINGTON, Feb. 2 — Senator Jesse Helms has introduced legislation that could limit the ability of homosexuals who work for the Federal Government to form employee associations.

The measure, introduced last month by Senator Helms, a North Carolina Republican, would ban the spending of Federal money to promote or carry out any program for Government employees that "would compel, instruct, encourage, urge or persuade employees or officials to embrace, accept, condone or celebrate homosexuality as a legitimate or normal life style."

Supporters of gay rights say the measure, which they call the first such bill to be introduced in the new Republican-controlled Congress, would sharply curtail the activities of groups made up of gay or lesbian Federal employees.

These organizations, which exist in 22 Federal agencies, as well as among Congressional staffs, do not receive Federal money now, although in the past some have.

But leaders of these groups say the measure, if enacted, could bar them from meeting in Federal offices, using interoffice mail for communications or posting notices on bulletin boards. Such things are currently permitted for other groups, including black or Hispanic employee organizations, as well as personal clubs like Weight Watchers.

In January the Republican majority in the House barred lawmakers from spending any of their office money on space and staff for various legislative caucuses, including the Congressional Black Caucus and the Women's Caucus. But the Helms measure is the first to try to halt any Federal support for groups formed by civil service employees of political appointees.

"As a gay staffer, I am greatly threatened by something like this," said Robert Raben, a staff member of Representative Barney Frank, a Massachusetts Democrat and one of the few members of Congress who is homosexual. "It is the only legislation that I can think of that is targeted at a group of people, and it's frightening to see the machinery of the legislature geared up against me as a gay man."

So far the measure has not attracted any co-sponsors, and it is doubtful that the Senate will consider the bill any time soon because Republican leaders say they first want to pass measures that are part of the Contract With America, the party's political manifesto, in the first 100 days of the new Congress.

Still, last July the Senate approved a similarly worded amendment to the Department of Agriculture's appropriations bill by a vote of 92 to 8, although it was later dropped in a House-Senate conference. And the reluctance of Congress two years ago to allow homosexuals to serve in the armed forces was indicative of the tenuous support that gay rights has on Capital Hill.

Leaders of gay rights groups say the amendment was able to garner support last year because it included language barring the use of Federal funds to recruit homosexuals for employment in the Federal Government. Voting against such language would open lawmakers to the charge

A move to set up opponents for attack ads in the next race?

that they are willing to support affirmative action programs for homosexuals, something that even some gay rights advocates acknowledge would be politically unpopular.

"If you read the provisions, they are repulsive, but brilliant," said Leonard Hirsch, president of the Federal Gay, Lesbian and Bisexual Employees organization who works at the Smithsonian Institution. "They set up opponents for attack ads in the next campaign. If someone votes for them, in the next campaign they can be accused of voting for homosexuality in the Government."

In a statement he entered into the Congressional Record on Jan. 4, Senator Helms said he was introducing the measure to save taxpayer dollars and because "the Clinton Administration has conducted a concerted effort to give homosexual rights, privileges and protections throughout the Federal agencies — to extend to the homosexuals special rights in the Federal workplace, rights not accorded to most other groups or individuals."

Mr. Helms did not specify what rights were being granted to homosexuals that were not available to other Federal employees or groups.

THE FEDERAL DIARY

Wash. Post; 2-3-95

Living Life Insurance

By Mike Causey
Washington Post Staff Writer

Every year, thousands of federal workers and retirees die of lingering, expensive diseases such as AIDS, cancer or various forms of heart ailments that also often wipe out their survivors' pocketbooks. Money worries make those last days even worse for the victims.

But workers and retirees now are free to enter into so-called viatical settlements with insurance companies, arrangements that provide cash payments upfront equal to part of the face values of federal life insurance policies. In effect, such a settlement makes the insurance company the beneficiary—via an irrevocable assignment—of an insurance policy. The company in turn immediately pays out anywhere from 55 percent to 80 percent of the face value of the policy. Federal employees who can wait, however, will have a much better option available this summer.

Effective July 25, terminally ill U.S. workers or retirees will be able to get the full value of their federal life insurance policies paid before death. The so-called "living benefit" option means they either can take a lump-sum payment equal to the full value of their policy, or get it in $1,000 increments. One advantage of the latter is that it leaves some insurance money (generally tax-free) available to family members. Money taken before death, even on life insurance, can be taxed, although that is under review by the government.

The Office of Personnel Management has approved procedures for the viatical—or "irrevocable assignment"—plan, but it does not endorse the program or recommend insurance companies. The plan is merely an option for workers and retirees who can't wait.

The "living benefit" program, which goes into effect in July, was introduced by Rep. **Benjamin A. Gilman** (R-N.Y.). The idea is that workers and retirees who have been told they have less than nine months to live will have the option to get some or all of their insurance money to help pay bills and to ease things for themselves and their families. Many families find that life insurance benefits are wiped out— by doctor and hospital bills and other creditors—before they even are available.

The National Association of Retired Federal Employees recommends that people interested in the irrevocable assignment option (the one that is available now) check out the pros and cons in a pamphlet, "What You Should Know About Accelerated Benefits," available from the American Council of Life Insurance, 1001 Pennsylvania Ave. NW, Washington, D.C. 20044. NARFE pushed the living benefits program—which gives people the full value of their policies while they're still alive—but it doesn't endorse, recommend or oppose the irrevocable assignment program.

Many hospitals, hospices and groups such as the cancer and heart societies also have details on the program. The form for the irrevocable assignment of benefits for retirees, RI 76-10, is available from OPM. Agency insurance offices should have the necessary form for active duty employees.

People

Justice's **Joseph H. Widmar** retires today after 33 years with the U.S. government. He's a deputy assistant attorney general, but he spent most of his career in the antitrust division. Officials say he supervised the prosecution of more than half the criminal antitrust cases brought since the Sherman Antitrust Act became law more than 100 years ago.

Buyout-Layoff Planning

Between now and March 31, thousands of federal workers age 50 and over will get offers of up to $25,000 to retire. After that date, non-Defense agencies that need to cut jobs will have to depend on attrition, voluntary early retirement or layoffs. At 9 a.m. tomorrow on WUST radio (1120 AM), **Ed McHugh**, **Tom Glennon**, **Tina Gonzales** and **Greg Keller**, the OPM's buyout and downsizing specialists, will talk about how buyouts and layoff rules work. At 10 a.m., financial planners **Tammy Flanagan** and **Bob Leins** will look at the financial pros and cons of buyouts, severance pay and thrift savings plan investments.

FILM REVIEW
N.Y. Times; 2-3-95

When One Is Reared By a Nanny, Not a Mom

By JANET MASLIN

Jyll Johnstone and Barbara Ettinger, the producers of the documentary "Martha and Ethel" (which Ms. Johnstone directed), set out to study the nannies who raised them while their wealthy mothers were otherwise engaged. The result, a seemingly fond film marked by staggering condescension and naïveté, reveals all the undigested resentment that such an upbringing engendered.

"It would seem that we grew up privileged, with everything we needed," Ms. Ettinger says sweetly in voice-over. "And yet I grew up very confused about my family, about why my parents hired someone else to bring us up."

Since that confusion signals so much buried anger, it might make for a riveting work of cine-therapy. But "Martha and Ethel" is rarely that perceptive. Never does it even remark upon the fact that the nannies are referred to by first name, while the film makers' mothers remain "Mrs. Johnstone" and "Mrs. Ettinger." Of course such swipes at their mothers, who are portrayed as aloof, benighted socialites, are surely deliberate, but the film makers never display a corresponding self-knowledge. Ms. Johnstone's complaints about receiving presents instead of love and about not wanting a whole string of debutante parties — she settled on one, rather than three — seem to be in earnest.

The film makers' attitudes toward their octogenarian nannies are suitably loving and photogenic. Each nanny is eventually escorted back to her birthplace, with Ms. Johnstone and Ms. Ettinger participating in each of these respective photo ops. Ms. Johnstone and Martha venture to Germany, where an oompah band conveniently heralds Martha's homecoming; Ethel and Ms. Ettinger visit South Carolina and spend time with Ethel's sister, whose very existence stirs envy in Ms. Ettinger. But, she reports, in the blandly sensitive psychobabble that is the film's argot, "my jealousy gave way to an understanding of the path Ethel had chosen, and gratitude that some miracle had led her to us."

MARTHA AND ETHEL



Sony Pictures Classics

Martha Kneifel, left, and Ethel Edwards in "Martha and Ethel."

Directed by Jyll Johnstone; written and produced by Ms. Johnstone and Barbara Ettinger; director of photography, Joseph Friedman; edited by Toby Shimin; released by Sony Pictures Classics. Running time: 80 minutes. This film is rated G.

WITH: Jyll Johnstone and Barbara Ettinger (narrators), Martha Kneifel and Ethel Edwards, and members of the Johnstone, Ettinger and Edwards families.

> The intimidating presence of a hired mother substitute.

Ethel, the only straight shooter in the movie, isn't quite that saccharine. "Sometimes I just feel like this!" Ethel says, slapping her thigh hard, and it's easy to see why. Although she and Martha are cited as role models and beloved parent surrogates by the children they brought up, the selfishness and self-effacement that have colored those relationships are clearly in the air.

So when one of the Ettingers praises Ethel, it's in purely egocentric terms: "She was the one who was listening very carefully to my needs, and that makes a huge impression on you." One of these siblings also reports being shocked and hurt to learn that Ethel had her own last name and was actually being paid to perform her child-rearing services.

Ethel reveals herself in ways that obviate the need for blunt questions. "Why on earth would they go out and leave five little girls in the care of a black woman?" she asks about the Ettingers, adding: "I felt great that I was able to handle five children." When Ethel drives out to the family's former house in Greenwich, Conn., in Mrs. Ettinger's Mercedes, she identifies the place where she lived as "my quarters" rather than her home. Ethel's avowed motto is "stay in your place and there's always a way," but she easily finds means to assert herself. "You're good-natured," she tells Mrs. Ettinger, who is depicted as brittle and tense but still very much dependent on Ethel's companionship. "I'm better."

The divorce that split the Ettinger family is left as unexamined as the ways in which Ethel has been a role model for the children, whom she dearly loves. Meanwhile, Martha is presented as a colder, sterner figure who was feared by her charges and even now remains somewhat remote, though the camera captures this tiny, birdlike woman flanked by Johnstones and wearing a bizarrely cheery pink-and-white straw cowboy hat. Tough and fastidious, Martha is remembered by Mrs. Johnstone as someone who made it difficult for her to visit her own children after Martha had put them to bed. "I used to resent it a little bit," Mrs. Johnstone says, with a resignation that speaks volumes. "After that I learned to keep away."

In the end, "Martha and Ethel" reveals more about mother-daughter friction than it does about the nannies' pivotal roles in these two families. The film makers' attitudes toward their mothers bespeak superiority and pity, which they try ascribing to generational differences and changing times. The famous scene from "All About Eve," with Bette Davis's Margo Channing lamenting her lack of a family life, is conveniently invoked. ("There's one career all females have in common whether we like it or not: being a woman!")

The film's kindest suggestion is that the two mothers might not have behaved as they did if they had watched that film a bit more closely and known what their daughters know now. But "Martha and Ethel" is facile and opaque enough to leave its audiences wondering what those daughters really know.

Editorials & Op-Ed

Charles Krauthammer
Wash. Post, 2-3-95

'Preg Ed': Who Needs It?

In his State of the Union address President Clinton declared "the epidemic of teen pregnancies and births where there is no marriage" to be "our most serious social problem"—a nice, if unacknowledged, nod to Charles Murray, who wrote just that in a famous 1993 Wall Street Journal article. Murray called for an end to welfare for unwed mothers. He argued that if you are serious about our most serious social problem, you remove the oxygen—welfare—that sustains it economically from one generation to the next.

The president, however, did not reach that conclusion. He did not propose an end to welfare. Instead, he proposed a new federal program aimed at schools to reduce pregnancy.

The president's acknowledgment of the problem is laudable. And his desire to combat teen pregnancy is sincere. Only his logic is suspect. In addition to driver's ed and drug ed, schools will now have preg ed. Consider the balance of forces:

For a few minutes a week the federal government through some teacher will urge young girls and boys not to have kids. Yet that same federal government will through its policies be saying every day to every teenage girl in the country: Have a child, make sure it is out of wedlock, make sure you have no job or prospects, and we will then guarantee you a monthly check, free medical care, and (under the proposed Clinton welfare plan) two years' worth of job training and child care, also free.

Moreover, the new preg ed program will soon have its own costs, its own bureaucracy, its own waste, fraud and abuse. As surely as the night follows day, it will have its own constituency, so that when critics point out that it is not doing a dime's worth of good, they will be charged with wanting "to gut anti-teen pregnancy programs."

Here is the core problem with neo-liberalism, the "reinventing government" liberalism President Clinton represents. It wants to undo the unintended consequences of liberalism's great social programs of the past—with yet more social programs. It is government with one foot on the brake to combat the other on the accelerator. The inevitable result is a system of contradiction and complexity, heat and waste.

A similar push-pull effect shows up in other kinds of welfare, the kinds highlighted in a stunning article in the Manhattan Institute's City Journal by Heather MacDonald called "Welfare's Next Vietnam." She points out that SSI, the Social Security Administration's (SSA) disability program, is growing much faster than AFDC (mother and kid welfare). Why? Because the definition of disability has been expanded far beyond its plain meaning and original intent. One rapidly growing category of disability recipient is misbehaving—a.k.a. "mentally disabled"—children. Another is addicts.

Most Americans have no idea that a quarter of a million of their fellows receive free medical care plus a government check of $458 a month for addiction to alcohol or drugs. They are supposed to be in treatment, but fewer than 1 in 10 are. And some addicts, because of the delay in having their claims heard, receive initial, lump sum, retroactive payments of $15,000 to $20,000. These can go right up the nose.

Now, this is the very same government that is conducting a more than $15 billion-a-year war on drugs, AWACS planes and Delta squads and Coast Guard patrols and police and prosecutors by the thousands: all assigned to wipe out the scourge of drugs. And, on the other hand, the same government subsidizes addiction, pumping billions of federal dollars into the drug trade. Indeed, writes MacDonald, "the addict has every reason not to conquer his addiction, since that would mean losing his benefits, including Medicaid."

The FBI and DEA and DoD proclaim "zero tolerance" for drugs. "SSA's response to addiction and alcoholism," writes MacDonald, "ranges from 'enlightened' tolerance ... to a sort of willed ignorance."

Push-pull. The fundamental problem of the welfare state is that any program that helps the disadvantaged is necessarily an encouragement to dependency. There is nothing new about this dilemma. The only thing new is the neo-liberal belief that an even more energetic government can solve the problem by adding yet more government interventions to the old ones.

The neo-liberal idea is to persuade or police people not to do what the government handout strongly encourages them to do. The conservative response must be to take away the handout. Establish a new criterion for government help: not "want" or even "need"—you and I need lots of things; need is not an entitlement to get from others—but need that results from a clear incapacity to help oneself.

For example, give SSI disability checks only to (1) those physically incapable of caring for themselves or (2) those mentally ill with real, incapacitating conditions such as chronic schizophrenia or profound retardation. Addicts—and school bullies now collecting as "mentally disabled"—need not apply.

Conservatism has a clear philosophical alternative to the neo-liberal welfare fixes. It should plainly say that the proper response to the catastrophic consequences of an old government intervention is not a new government intervention but a withdrawal of the first. Don't fix. Start over. Let's see if the new conservative Congress, now distracted with the procedural gestures of block-grant federalism and state's rights, can make that case.

JUDY MANN

Wash. Post; 2-3-95

A Goal for All: Fewer Abortions

What percentage of pregnancies in America end in abortion? Chances are you won't be within 20 points of the right answer, which is 27.5 percent.

Two decades after the U.S. Supreme Court legalized abortion, abortion remains one of the most dangerous fault lines on the political landscape, and yet the public has a woefully poor understanding of the facts surrounding unplanned pregnancies, the numbers of abortions performed every year in this country and who has them. For all the heat around the issue, a recent Kaiser Family Foundation and Louis Harris and Associates Inc. survey shows there has been very little light.

Only a third of those surveyed got within 20 points of the right answer about the percentage of pregnancies that end in abortion. Women, sad to report, were even more ignorant of the facts than men: More than half of the women surveyed said that more than a third of all pregnancies end in abortions, while only 40 percent of the men were that far off the mark.

Is the number of abortions going up? Almost half of those surveyed said the percentage of women having abortions is rising; in fact, the rate has remained about the same since the procedure was legalized, and it has decreased slightly in the last several years. According to the Alan Guttmacher Institute, there were 1,529,000 abortions performed in the United States in 1992, the lowest number since 1979.

We also have a distorted picture of who has abortions. Mostly teens and minorities, right? Wrong. Although a million teenagers get pregnant each year, and half have abortions, they account for only a quarter of the total number of abortions each year. Fewer than a third of the total are performed on minority women.

Those facts were explored this week in a seminar sponsored by the Kaiser Family Foundation and the American Enterprise Institute that brought both liberals and conservatives together for one of those rare episodes in which evidence and ideas, rather than rhetoric, inform the debate.

Karlyn Bowman, a public opinion poll specialist at the AEI, said that American opinion on abortion has remained relatively stable over the last 20 years, with the majority of people saying it should be legal under certain circumstances. When asked whether abortion is murder, more than 40 percent said yes in four recent surveys. Yet a majority strongly agreed that the government should not interfere with a woman's ability to have an abortion. "Individual choice is one of the strongest currents in polling," Bowman said.

Abortion rights advocates appear to be winning the battle in public opinion: Only 21 percent told Gallup pollsters that they thought abortion should be legal under any circumstances in 1975. That rose to 33 percent in September 1994, while support for making it illegal in all circumstances dropped from 22 percent in 1975 to 13 percent in 1994. "People want choice, but they want to see fewer [abortions]," said Kate Michelman, head of the National Abortion and Reproductive Rights Action League, who cautioned that she thinks the decline in abortions was a reflection of terrorism in the clinics, a sharp decline in the number of providers and a growing tolerance for children out of wedlock, as opposed to a decline in unwanted pregnancies.

Linda Chavez, president of the Center for Equal Opportunity and a leading conservative commentator, suggested that the way to decrease teen births without abortion rates going up was to "send a moral message to kids," instead of assuming that teenagers will have sex. Dr. Mark Smith, who oversees the Kaiser Foundation health programs, said he thinks sex educators are finding that "taking a stand is increasingly useful."

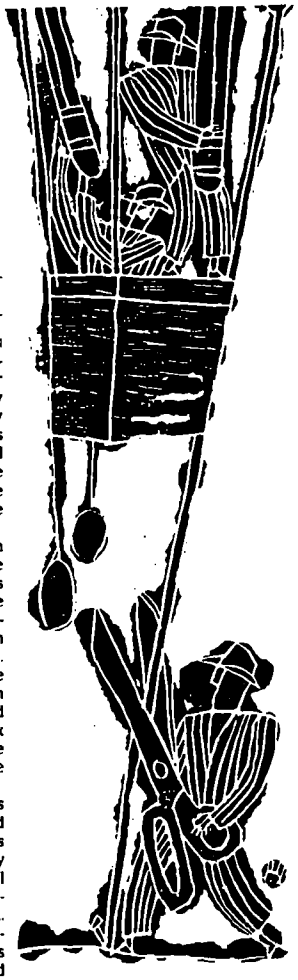
"Most good programs are doing that," Michelman said. And she nodded her head in agreement when Chavez said that "13- and 14-year-olds are not old enough to be having sex, they are not mature enough." She noted that often those girls are having sex with much older boys and men and that "this is often a very exploitative relationship."

The bombings and murders at women's health care clinics underscore the necessity for voices of reason on opposite sides of the abortion debate to start talking to each other and to find some areas of common ground where constructive action can be taken to reduce the number of unplanned pregnancies. That kind of seminar shows how it can be done. Michelman called for "a genuine commitment to reducing pregnancies" and for elevating the value of childbearing so people feel a greater sense of responsibility when they bring a child into the world. If those two ideas are embraced by both liberals and conservatives and translated into family planning policies, abortion will be much less common than it is now.

N.Y. Times; 2-3-95

The Fed's Rubber Dollars

By William Greider



WASHINGTON

The conservative revolution is briskly under way, and while they have hit some bumpy spots, the Republicans have already revealed how they intend to accomplish the monumental task of balancing the Federal budget. They're going to use rubber money.

This ingenious technical solution won instant acclaim among the G.O.P. budget cutters because it was proffered by the Federal Reserve chairman, Alan Greenspan, a respected economist who is well known for "sound money" thinking. Mr. Greenspan says the Consumer Price Index, the Government's main gauge of inflation, is a bit inflated itself. He estimates that the index overstates the actual rate of price inflation by up to 1.5 percentage points a year.

Reducing the price index to its correct level, he explained, would generate enormous budget savings because the spending levels of many programs — including the annual cost-of-living increases for Social Security recipients — are geared to it. Shrinking the index would also reduce the rising costs of entitlements like military retirement benefits and annual pay increases for Federal employees. This simple adjustment would save $150 billion over the next five years, according to Federal Reserve economists.

Republican leaders immediately promised to incorporate Dr. Greenspan's analysis in their planning. Speaker Newt Gingrich, with his usual droll understatement, suggested that if the Bureau of Labor Statistics didn't fix its accounting methods within 30 days to produce these savings, the new Republican Congress might just zero out the Bureau of Labor Statistics.

While the change in the price index sounds technical, it is actually based on an important economic insight: If the Government shrinks the price index, everyone's dollars are stretched. While academic economists sometimes talk of "price elasticity," this is closer to what laymen call "funny money." In the parlance of the high-tech futurists advising the Republican majority, it may become known as "virtual currency."

While Mr. Greenspan was too modest to say so, his proposal also promises important benefits for consumers. After all, if the Government reduces inflation by shrinking the price index, your dollars buy more stuff. Everyone will feel better when they go to the mall and will tend to shop longer.

Following the same methodology, the Government can also painlessly boost the nation's economic growth. The Gross National Product — which measures what economists call real economic growth — is derived from a calculation that subtracts the inflation rate from the nation's total economic activity. Thus, adjusting the inflation index will automatically increase the G.N.P. without actually requiring any additional production. The nation's real economic growth will become even more real than people thought.

Similar benefits are in store for all those millions of workers who thought their wages, adjusted for inflation, had been declining. If Government cuts the C.P.I. sufficiently, wages will be seen as rising again, as in the good old days of American prosperity.

> Greenspan and the G.O.P plan to raise taxes and cut entitlements.

The plan promises relief for the poor too. Welfare recipients and minimum-wage workers have seen their incomes fall drastically in respect to inflation during the last 15 years. Rubber dollars would leave these people in the poorhouse, but it would measurably shrink poverty statistics.

Indeed, as the conservative revolution rolls forward, Mr. Greenspan may come to be recognized as one of its bravest radicals. His new thinking on inflation is actually borrowed from critics of the Federal Reserve — the pro-growth liberals and supply-side Republicans — who always complain when the Fed raises interest rates to slow the economy. These critics have long claimed that the price index exaggerates inflation and that the Federal Reserve overreacts to them — punishing the economy to satisfy a statistical illusion.

Chairman Greenspan has boldly stolen their thunder and used it to shrink government. His strategy will naturally invite questions. Why, for instance, did he raise interest rates six times last year and attempt to stifle economic growth if he thinks the official inflation rate of 2.7 percent was actually much lower — perhaps as low as 1.2 percent? The Fed might respond that fighting inflation is a never-ending battle that won't be won until it pushes the American economy to zero.

Of course, there are some doubters and naysayers. Retired people who depend on Social Security checks will claim that they have been robbed. This technical adjustment, they will argue, is actually a ploy by which Republicans can break their campaign promise not to cut Social Security and still evade the blame for doing so. Old soldiers and Federal employees may issue similar bleats.

The Pentagon too might be reluctant to embrace the Greenspan breakthrough, since its budget, unlike other Government agencies, is pegged to the price index.

Those gloomy liberals who always look for the bad news about America may say that as long as we're cleaning up Government statistics, we should take a look at unemployment figures, which are even more fictitious than the inflation index. The number of people is at least double what is reported each month because unemployment numbers ignore those who have become too frustrated to continue looking for a job and those part-time workers who want full-time employment.

The loudest squawks, however, are likely to come from taxpayers. Federal income tax rates are geared to the Consumer Price Index so that families with rising incomes will not be automatically pushed into higher tax brackets by inflation. (This elimination of "bracket creep" was a major accomplishment of the last conservative revolution — Ronald Reagan's.)

The new revolution is promising to deliver billions in tax cuts for struggling middle-class families, but trimming the price index will automatically push them into higher tax brackets, allowing the Government to reclaim much of the money. Federal Reserve economists calculate that within five years of lowering the index, the government would save $28 billion a year on Social Security and other programs and would take in an additional $21 billion in taxes.

While Mr. Greenspan, as chairman of the politically independent Federal Reserve, does not get to vote on this scheme himself, he has urged the Republican legislators to enact a virtual currency amendment to their budget. The Republicans aren't so anxious to sign on publicly, and would prefer to have bureaucrats take care of the adjustment, in the privacy of the Bureau of Labor Statistics.

Legislative action, they apparently feel, would only provoke needless controversy and could slow down the revolution. Obstructionist Democrats, of course, will probably try to agitate the issue and force it to a roll-call. Isn't that just the kind of "Second Wave" thinking that Speaker Gingrich warns is holding the country back? □

William Greider, national editor of Rolling Stone, is author, most recently, of "Who Will Tell the People? The Betrayal of American Democracy."

Wash. Post; 2-3-95

The Barry 'Plan' Comes Up Short ...

BY HIS OWN advance billing, yesterday was to be a defining moment for the mayor of this financially flattened city, the day that Marion Barry would announce his "fiscal action plan" to wring the red ink out of drenched budget already four months old. To a city reeling and mystified by a seemingly nonstop barrage of revised, upwardly spinning debt estimates—and to a suspicious Congress—this was a test of local initiative in a crisis. Would the mayor produce a tough, detailed blueprint for immediate recovery with hard numbers based on hard decisions?

Not yesterday. It was not a plan in this sense, but an appeal for a deal. If the federal government would pick up a $267 million tab for Medicaid increases, take over Lorton and relieve the District of still other high-cost functions defined—by the city government—as state responsibilities, the city government could pull up its socks and make tough budget cuts that would include pay reductions and the firing or retiring of thousands of workers. Details to come. Is a Congress that heard all sorts of assurances from the last city administration that the budgets were balanced—until the financial roof started caving in—now prepared to accept Mr. Barry's formula?

The answer from members of both parties began coming from Capitol Hill even before the mayor could finish his presentation. Pledges of austerity must be backed by action, and no federal assistance will come to the city without strings attached. That is the greatest danger in this high-stakes mission: the hard-won if limited home rule that the District enjoys and properly seeks to expand must not be squashed by others or forfeited by a failure of the local government to rise to the occasion.

The beg-and-borrow approach to the federal government won't wash anymore, nor does the answer lie in a selling of responsibilities that came with the home rule charter or in some cases were added later by local request. Mr. Barry remembers this history because he was part of it. "We were so anxious to show we could take care of ourselves, we were thirsty for freedom," he recalled, noting that the city agreed to take on responsibilities for prisons, welfare, mental health and other programs that states shoulder. "We never should have," he said yesterday, "and now it is time to give them back."

Is that the rallying cry of a resolute, responsible and politically courageous local leader, or an attempt to balance numbers on paper when reductions—immediate and long-term—must be spelled out, ordered and executed. We say this not to invite federal takeover or controls that long ago proved to be a terrible way to govern the capital city. But the worn-out woe-is-us, bail-us-out abdication of local responsibility won't do. Mayor Barry insists that he is up to the job and willing to take heat for "decisions I never thought I'd have to make." That has yet to be sufficiently demonstrated.

Wash. Post; 2-3-95

... And Pity the Children

HOWEVER IT IS resolved, the District's fiscal crisis has a lot of pain in store for a large number of people in this city. But one group has suffered too much already and ought to be spared what's to come. They are the 2,300 neglected and abused children locked in the District's troubled foster care system. Their plight comes up for review in U.S. District Judge Thomas Hogan's courtroom this morning. A report prepared by the court representative who monitors children in foster care suggests there is no end in sight.

A few years ago, foster kids found some relief when the city's failure to follow the law forced judicial rule to replace home rule. Today, hard-won foster care improvements are being threatened by the District's money woes and the change of faces in city hall. The court monitor reports that in the months since Mayor Kelly's defeat in the Democratic primary, progress in reforming the foster care program "has slowed to a standstill in almost every area." The child welfare system is now loaded with so many rudimentary problems as to be "a cause for alarm." Conditions for front-line social workers have deteriorated to the point that some are working without telephones and basic supplies. Agency cars have been repossesed or left unrepaired. The management information system, recently improved with outside help, is deteriorating. The city's cash flow problems are being underwritten by delayed payments to foster parents and private vendors. The only thing standing between these vulnerable children and their return to the dire situation they were in four years ago is the court.

It may not please the court to know that the child welfare system is now in the hands of some of the same folks who allowed it to become an overwhelmed, underfunded warehouse in the first place. Mayor Barry's interim choice to lead the D.C. Department of Human Services is Vernon Hawkins, a veteran D.C. government employee and political friend. Among Mr. Hawkins's jobs was a stint as acting social services commissioner in DHS, where he was responsible for foster care. In the face of howls from social workers and children's advocates and news accounts of the city's neglectful treatment of foster children, Mr. Hawkins said in July 1988: "We do not feel that the children are at risk at this point in time." A lawsuit was filed a year later. At trial the court found liability on the city's part, and said that the system was a shambles, the children at risk and the city's handling of foster care a "travesty." This is why Judge Hogan must stay on the case.

Wash. Times; 2-3-95

The fiscal crisis in D.C.

With more than a third of the 1995 fiscal year over, Mayor Marion Barry announced Wednesday that the District's exploding budget deficit of $722 million now exceeds more than 21 percent of its $3.4 billion 1995 budget. So utterly out of control is the burgeoning deficit that it dwarfs the serious problems other cities face in their own fiscal crises. New York City, for example, is furiously cutting spending to address the current year's deficit of less than 2 percent of its budget and mounting a frontal assault against next year's projected deficit of 6 percent of (proportionately, less than one-third of the District's current fiscal-year shortfall).

To appreciate the extent of the crisis, consider that D.C. officials would have to slash spending by nearly one-third for the rest of the fiscal year to balance the budget. Clearly, that is not a viable alternative. What is even more difficult to imagine, however, is how the District can resolve both its short-term and long-term budget problems without the benefit of yet another federal government bailout.

Recall the bailout that Congress engineered in 1991 for the benefit of newly elected Mayor Sharon Pratt Kelly. The feds showered her post-inaugural honeymoon with a $100 million bouquet, increased the annual federal payment by nearly 50 percent, to $630 million, and established a funding formula guaranteeing future payments equal to 24 percent of locally raised revenue. At the time, Mayor Kelly said the steadily increasing federal payment, which is now $660 million, was an indispensable ingredient in a package of important structural reforms necessary to restore stability to District finances. If anything has been learned from the experience of the past four years, the irrefutable conclusion must be that the crisis today cannot begin to be solved by throwing ever-increasing amounts of good money in the direction of a seemingly infinite supply of bad District policies.

Though her administration must now be objectively judged to have been a fiscal disaster, it cannot go unmentioned that the irresponsible policies Mrs. Kelly pursued had their origins in the administration she succeeded. True, she failed miserably to fulfill her promises to reduce the bloated citywide bureaucracy and improve city services in meaningful ways — to say nothing of the complete failure to address the massive, long-term problem of the city's $5 billion unfunded pension liability. But the bureaucracy became bloated and services deteriorated during the tenure of her predecessor and successor, Mayor Barry, and it was in his first three terms that the pension liability was permitted to explode.

Given the magnitude and the immediacy of the financial crisis, it's tempting to focus merely on the numbers. This would be a grave mistake, however. No discussion of the District's financial problems can begin without the universal recognition of the ever-widening chasm separating the sizable, increasing resources expended on problems and the meager, completely unsatisfactory results achieved. This reality runs the gamut. It extends from education, where per-pupil expenditures are among the highest in the country while SAT scores are the lowest, to subsidized housing, where the District is ranked at the very bottom by the Department of Housing and Urban Development. Other horror stories include the corrections department, foster care, police corruption, etc.

With this background, Democratic Mayor Barry now approaches the Republican Congress with a tin cup significantly bigger and more hollow-sounding that even the cup he bequeathed to Mrs. Kelly. Throughout the fall mayoral campaign and long after the General Accounting Office issued its June report shattering the pretense of a balanced 1995 budget, Mr. Barry repeatedly said he and he alone possessed "the skills" to address the city's budget problems. Time and again during the campaign, he declined to offer specific measures, and only recently has the possibility of layoffs been put on the table.

Yesterday's promises to reduce the city's workforce by 4,000 workers this year and 1,000 workers next year sound familiar, but even these numbers are inadequate given the size of the deficit and the bloat in the workforce. In any event, the mayor capped work force savings (salary reductions, furloughs, and layoffs) at a mere $70 million — only 10 percent of the city's deficit. The Medicaid deficit Mr. Barry now demands the federal government absorb reached such an uncontrollable level as a direct result of overly generous programs created by Mr. Barry himself. After illegitimacy, crime and other social pathologies exploded during Mr. Barry's first three terms, the 1990 Census reveals that, apart from Ward 3, "The percentage of children living in single-parent families in the seven remaining wards ranged from a low of 63.6 percent to a high of 75.7 percent," according to New York Sen. Daniel Patrick Moynihan. Mr. Barry's suggested solution? Transfer the District's portion of juvenile detention, Lorton Prison and Aid to Families with Dependent Children to the federal government. Thus, while Mr. Barry sought re-election in order to use his budget-balancing "skills," it now seems apparent that what he is seeking is nothing less than a massive bailout with no strings attached, thank you very much.

In 1990, the Rivlin Commission concluded, "The District is facing insolvency if it does not act immediately." Its prediction of a $700 million deficit by 1996 regrettably has come true a year early. If a federal bailout seems inevitable, this time Congress should keep in mind its fiduciary duty not to squander taxpayers' money — especially considering what transpired after the 1991 bailout. Moreover, if the District's financial firestorm must be doused, does it make sense to enlist the management services of the pyromaniacs who set the blaze? The absence of professionalism in city management and the proliferation of unaccountable political fiefdoms in a host of failing departments and bureaucracies have directly contributed to the bankrupt conditions pervasive throughout city government.

Asked about the prospects of federal assistance in the form of guarantees or loans in an interview yesterday with The Washington Times, Senate Majority Leader Bob Dole replied, "We'd better take over their finances, too. . . . Nobody knows in the District what's happening." It's hard to avoid that conclusion.

Before hundreds of millions of dollars are appropriated to rescue the District from its own unconscionable profligacy, Congress may want to consider establishing something comparable to the Municipal Assistance Corp. created to rescue New York City in the mid-1970s. Given the obvious absence of financial controls in the District, Congress would be wise to direct such a board to commission a full-scale audit of city finances and accounting policies. Perhaps all city expenditures should fall within its purview. Congress may find it appropriate to endow the board with the power to renegotiate labor contracts and work rules, to address the pension time bomb in a final and definitive way, and to drastically cut the workforce.

If the District's financial plight is so severe as to require a second federal bailout in four years, this time the feds should do it right.

Chgo. Trib.; 2-2-95

Many steps to true welfare reform

CHICAGO—Most people will agree that welfare could stand to be improved. How can welfare reform be constructed so that children are safe and have food, clothes and a roof over their heads? Just as important, how can welfare reform be tailored so that parents can earn a living, take care of their kids and stay off the public dole?

It should be helpful to compare myths with reality. Aid to Families with Dependent Children does not lift families out of poverty. In Illinois, AFDC benefits for a family of three are $367 a month, or $4,404 a year; the federal government has set the poverty threshold for a family of three at $10,860. Reducing AFDC levels will make poor families poorer. There is no use in tinkering with AFDC and believing it is true welfare reform.

Government assistance is available to more than half the families in the United States. Among the programs that provide assistance are Social Security, Medicaid, Medicare, unemployment compensation and school lunches. Only a tad over 5 percent of the general population receives AFDC. These welfare recipients are small families (two children on average), predominantly white (39 percent nationally) and most (70 percent) receive welfare checks for less than two years.

The vast majority of families on AFDC come off on their own. But statistics also tell us that about half of these families return to AFDC within five years or so because they lose their health benefits, can't find quality, affordable child care so they can work, or can't earn enough money to support a family.

To ensure that poor families get the support they need to get off and stay off welfare, there must be responsible reform that continues health coverage, provides child care and permits mothers to continue to keep some of their AFDC check—phasing the benefit downward as their wages go up. Welfare rolls will be reduced significantly by concentrating on the mothers who are motivated to leave AFDC and stay off AFDC.

Welfare reform means creating jobs that pay a living wage, expanding education and training programs and giving AFDC recipients access to job-search help, training and transportation.

Welfare reform means supporting and strengthening families to keep children from entering our expensive (not to mention overburdened and often unresponsive) child-welfare systems.

Responsible welfare reform encourages the positive involvement of the fathers in the lives of the children by establishing paternity and improving child-support enforcement. Welfare reform must include efforts to prevent teen pregnancy and encourage young people to stay in school. And welfare reform means quality health care for children and families.

True welfare reform must be part of a broader anti-poverty strategy with such incentives as refundable children's tax credits, increased wages, enhanced food assistance and improved child welfare and social services for troubled families.

There will always be those who need help, and how we treat our poorest citizens is the true indication of the depth and quality of the human spirit on which this nation was built.

Constance H. Ackert
EXECUTIVE DIRECTOR
ILLINOIS ACTION FOR CHILDREN

Chgo. Trib.; 2-2-95

Are diet clinics worth their salt?

3;3

Despite rising public consciousness about the health hazards of obesity, the commercial diet industry is wasting away in the 1990s.

Former U.S. Surgeon General C. Everett Koop just launched his "Shape Up America" crusade targeting obesity as the second-leading cause of death in this country (behind smoking). A recent report from the Institute of Medicine in Washington, D.C., calls it a "worsening epidemic" leading to premature illness.

Yet the commercial diet industry, featuring high-visibility franchises such as Weight Watchers, Jenny Craig, Nutri/System and Physician's Weight Loss Centers, suffered a 15 percent drop in revenues to $1.7 billion last year. And in recent years, the number of weight-loss clinics has declined by 1,200, to 5,500 nationwide.

Some reasons for this fall from favor were congressional hearings and general publicity about studies that indicate only a small percentage of clients successfully keep weight off long term. There's also been turf encroachment by health clubs that are adding nutrition to their services.

The industry brought much of the negativism upon itself by overhyping potential results. The Federal Trade Commission a year and a half ago alleged that five of the largest commercial diet companies engaged in deceptive advertising. While three settled and changed policies, Weight Watchers and Jenny Craig challenged those charges and are awaiting court dates.

"A common theme in many ads was that this would definitely be

Andrew Leckey
ON PERSONAL FINANCE



the last diet you'd ever need and that your weight loss would be permanent, even if you'd failed at other programs," said Richard Kelly, assistant director for service industry practices with the FTC.

The FTC says any firm making such claims must back them up.

"Many people who come to see me for help have gone through every single one of the commercial diet programs first," noted Elizabeth Ward, a registered dietician and spokeswoman for the Chicago-based American Dietetic Association trade group for dieticians. "However, I don't want to bash those programs because it really does depend on the person and his or her ability to think long term and make changes in habits."

The average client spends $608 for a four-month period in a typical commercial program, according to calculations by Marketdata Enterprises Inc. of Valley Stream, N.Y., whose publications include a bulletin on the diet industry.

"I don't know that diet programs are worth the money, because I've learned from being in several there really aren't any secrets," said 26-year-old Nicole Kitchen of Silverdale, Wash., a former client in three different programs.

Once each program's control ended, Kitchen was completely lost and gained back the weight. So she finally decided one day to make better choices at the grocery store on her own. It's working.

Under fire, the largest commercial diet programs have been revamping their programs. Rather than strictly weight loss, the concepts of weight maintenance, overall wellness and exercise are emphasized.

Different programs make money different ways. "Jenny Craig earns about 90 percent of revenues from sale of its food products, while Weight Watchers earns 65 percent from food and the rest from the weekly meeting and registration fee," explained John LaRosa, research director with Marketdata.

Safety and price are considerations. "Our program is designed to produce a safe rate of weight loss of one to two pounds a week," explained Brian Luscomb, spokesman for Jenny Craig Inc., Del Mar, Calif. "While clients are paying approximately $70 a week for food, with the exception of some fruits, vegetables, whole grain and dairy products, that is their weekly food bill."

When looking into a commercial diet program, find out if it's reputable, financially sound and established. Determine whether it offers safe weight reduction. Learn exactly how the program works and ask for data that proves its effectiveness. Ask about costs for membership, weekly fees, food, supplements, maintenance and counseling, as well as the payment schedule and whether you receive refunds if you drop out.

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Wall St. Jrnl.; 2-6-95 p. 1

World-Wide

CLINTON PREPARED to release his $1.612 trillion budget for fiscal 1996.

The president's budget offers tax cuts to middle-class Americans and proposes spending increases for some popular programs, such as crime fighting. He wants to reduce spending on the federal bureaucracy. However, his budget is remarkable for what it doesn't cut: a range of federal benefit programs, including agriculture subsidies, the Medicare and Medicaid health-care programs, and tax breaks derided by his own labor secretary. As a result, Clinton's budget makes little further progress in reducing the deficit. (Articles on Pages A2 and A6)

The president's strategy is to let Republicans, with their cut-spending rhetoric and enthusiasm for a balanced-budget amendment, go first and take the blame for cutting programs.

* * *

Sen. Packwood predicted Democrats had enough votes to defeat the balanced-budget amendment in the Senate. But other GOP backers of the amendment contradicted him, and opponents didn't declare victory. (Article on Page C14)

* * *

Israel's cabinet rejected PLO demands to allow tens of thousands of Palestinians to return to jobs in Israel. While praising the Palestine Liberation Organization's efforts to curb violence, cabinet ministers said the efforts fell short. They agreed only to a minor easing of Israel's two-week-old closure of the West Bank and Gaza.

* * *

Gingrich's wife was given a job by a group of American investors pushing for Israel to create a free trade zone after the House speaker lent political support to the proposal by praising it to top Israeli officials. (Article on Page A14)

* * *

GOP opposition mounted to Surgeon General nominee Henry Foster. Some Senate Republicans raised the issue of whether Foster should be confirmed after he acknowledged that during his nearly 30 years of practice he performed fewer than 12 abortions. (Article on Page B8)

* * *

Commerce Secretary Brown disputed allegations about his personal financial dealings. In an interview, Brown made no apologies for his prior business relationships, saying that his actions were no different from those of other prominent figures. (Article on Page A14)

* * *

Britain's ruling Conservatives faced further infighting over the government's European policies, following a call by Prime Minister Major for new conditions as a prerequisite for a single European currency. In a weekend speech to Tory right-wingers, Major said a single currency "could tear the European Union apart."

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The FAA investigated allegations that an agency official ordered destruction of documents related to a fatal plane crash. The documents pertained to the plane's owner, a South Dakota firm with political links to Senate Minority Leader Daschle, whose wife is an FAA administrator.

* * *

Russian space officials insisted U.S. shuttle Discovery would have to stay 400 feet from Russia's space station Mir during a rendezvous set for today, instead of the 33 feet originally planned. Discovery, which developed a fuel leak just after its Friday liftoff, is seen as a danger to the space station and a Soyez capsule docked there.

* * *

Peruvian and Ecuadoran troops clashed again at their disputed jungle border as peace talks were suspended in Brazil. Peruvian President Fujimori, who visited the border region, said his nation's forces were advancing on one of Ecuador's outposts.

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The Bosnian government reached an accord with rebel Serbs on opening a road into and out of Sarajevo for civilian traffic. In Germany, Bosnian Croats and Muslims agreed on binding arbitration to smooth over differences in their federation.

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Refugees from Chechnya are arriving in a neighboring Russian republic, Ingushetia, at the rate of 10,000 a week, causing the population there to swell by 50% since mid-December, relief officials said. Stepped-up Russian attacks around the Chechen capital are expected to intensify the refugee crisis.

* * *

Gunmen with automatic weapons fired on two Sunni Muslim crowds in the southern Pakistani city of Karachi, killing at least 21 people and wounding 41. Police said they suspected Shiite Muslims carried out the attacks in retaliation for a series of shootings Saturday that left 12 men dead.

THE GREEN SHEET

News About the U.S. Department of Health and Human Services

Vol. 42 No. 24 Monday, February 6, 1995

Wall St. Jrnl.; 2-6-95

Debate Over Surgeon General Nominee Stirs Up Broader Battle Over Abortion

By MICHAEL K. FRISBY
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – Controversy over President Clinton's nominee for surgeon general mounted as Republicans accused the White House of misleading them and the White House painted the GOP as extremist.

The nominee, Tennessee gynecologist-obstetrician Henry Foster, acknowledged Friday that in his 30 years of practice he had performed some abortions, but put the number at fewer than a dozen. He added that he had delivered more than 10,000 babies.

The number of abortions was small, and Dr. Foster said all were performed to save the lives of women or because the women were victims of rape or incest. That being the case, Dr. Foster might not have had too hard a time winning confirmation.

But GOP senators complained the White House had assured Sen. Nancy Kassebaum, the Kansas Republican who heads the committee that will handle the nomination, that the number was much smaller.

The reaction of key Republicans ranged from cautious to dubious. Majority Leader Robert Dole said yesterday on NBC-TV's "Meet the Press" that the nomination will face some difficulty. He said he hadn't decided whether to oppose Dr. Foster himself, but he criticized White House handling of the affair. "I don't like what I hear, what I read," he said.

Mississippi Sen. Trent Lott, the No. 2 Republican in the Senate, was tougher. The nomination is in "serious trouble," he said during an interview on CBS-TV's "Face The Nation." Going beyond the abortion issue, Sen. Lott also raised questions about Dr. Foster's association with Planned Parenthood of America.

At the White House, aides said the flap with Sen. Kassebaum was a misunderstanding and that Health Secretary Donna Shalala had called the senator to try to smooth things over. In any event, the White House thinks it has a good chance to come out ahead on this battle even if the nomination is defeated. They said it could help portray Republicans as out of touch with the country, particularly as polls show solid support for abortion-rights policies since the recent shootings at abortion clinics.

Michael McCurry, the White House press secretary, stated the administration's position: "It is hard to find anyone in America [who] is more sensitive to the issue of reproductive health. If they want to off him, it shows how far in the extreme Republicans are heading."

Mr. McCurry said Dr. Foster, 61 years old, had been cited by President George Bush's Points of Light program for his work in preventing teenage pregnancies.

N.Y. Times; 2-6-95 p. 1

C.O.P. STRUGGLING TO TOP PRESIDENT IN PARING BUDGET

DIFFICULT TO MANEUVER

More Spending Cuts Needed for Republicans to Meet Fiscal Balance by 2002

By MICHAEL WINES
Special to The New York Times

WASHINGTON, Feb. 5 — As President Clinton lays his five-year budget on the table on Monday with a bid to shave $144 billion from Federal spending as its centerpiece, the Republican Congress is preparing to meet that — and trim several hundred billion dollars more as well.

The prospects of negotiating such a maneuver are loaded with political as well as fiscal implications. And they will become clearer in the weeks ahead, when House Republicans unveil the first of two installments of their budget: a five-year package of $200 billion in tax cuts and another $200 billion in spending reductions to pay for them.

But even then, the Republican-controlled Congress must still find $400 billion to $500 billion more in spending cuts over the next five years if its central political theme — putting the Federal budget on a "glide path" toward perfect balance by 2002 — is to be taken seriously.

Democrats predict that they cannot do it without either wrecking the

See BUDGET, p. 12

Wall St. Jrnl.; 2-6-95

Think Tank With Close Ties to Gingrich Officially Unveils Plan to Replace FDA

By LAURIE MCGINLEY
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – A think tank with close ties to House Speaker Newt Gingrich officially unveiled an effort to design "a replacement" for the Food and Drug Administration, saying its goal is to get a plan ready by the fall.

The Progress and Freedom Foundation has been preparing for months to launch a major project to find new ways to speed the approval of drugs and medical devices. At a briefing Friday, foundation president Jeffrey Eisenach, a close associate of the Georgia Republican, provided new details and defended the foundation's practice of accepting contributions from drug companies.

Mr. Eisenach said that Louis Sullivan, the secretary of the Department of Health and Human Services during the Bush administration, would serve as chairman of the "Medical Innovation Project." He said the group planned to prepare a draft plan by May or June, and that the final blueprint, if approved by Congress, would take as much as five years to put into effect.

In recent months, Mr. Gingrich, an array of conservative think tanks and the pharmaceutical and medical-device industries have lambasted the FDA as being too slow and cautious in approving products. Several Republican members of Congress are planning to conduct hearings on the FDA, among them the new chairman of the House Commerce Committee, Rep. Thomas Bliley (R., Va.). FDA Commissioner David Kessler so far has maintained a low profile in the face of the assault.

The foundation has been in the spotlight as well. As reported, Mr. Gingrich introduced legislation in the summer of 1993 to suspend duties on ingredients imported by Solvay Pharmaceuticals Inc. At about the same time, Mr. Eisenach asked Solvay, which is located in Mr. Gingrich's district, for a contribution to the foundation. Solvay, a subsidiary of the Belgian chemical company Solvay SA, made a $30,000 contribution in early 1994.

Mr. Gingrich also pressed the FDA in a letter in July 1994 to justify its delay in approving Solvay's obsessive-compulsive disorder drug, Luvox. The company has insisted that there wasn't any connection between its donation and Mr. Gingrich's official acts. On Friday, Mr. Eisenach backed up that assertion. "I didn't know he had written a letter or introduced legislation," he said.

Mr. Eisenach, a former executive director of Mr. Gingrich's political-action committee, Gopac, also said Friday that 10% to 15% of the foundation's contributions have come from makers of drugs and medical devices. Among the companies on the foundation's donor list are **Genzyme** Corp., **Johnson & Johnson**, **Monsanto** Co.'s Searle pharmaceutical unit and Glaxo Inc., a unit of **Glaxo** PLC.

Asked whether such donations would affect the foundation's work on the FDA, Mr. Eisenach said he was confident the work would be objective and withstand academic and political scrutiny.

Jim O'Hara, a spokesman for the FDA, said, "If anyone has serious and substantive proposals to improve the safety and efficacy of drugs and devices, that's fine." But he said the FDA has dealt with some of the issues raised by the foundation.

For example, the foundation's paper says that many prescription drugs used on children haven't been specifically tested and approved for that purpose, and so can't be marketed for pediatric use. But the FDA in December announced a rule change that makes it easier, in some circumstances, for manufacturers to include pediatric information on the label of the products, even without extensive testing in children.

Balt. Sun; 2-4-95 p. 1

Md. Democrats receptive to purging SSI of abuses

Many in Congress would tighten aid to addicts, alcoholics

By John B. O'Donnell
Washington Bureau of The Sun

WASHINGTON — A move by House Republicans to make major changes in Social Security's disability program took on a more bipartisan tone this week as Maryland Democrats called for a range of changes in the $65 billion aid plan.

Acknowledging that there is "fraud and abuse" in the program, Sen. Barbara A. Mikulski, a Baltimore Democrat, asked the Senate Finance Committee to hold hearings on the program while some of her Maryland colleagues in the House — both Democrats and Republicans — urged various reforms.

A series of articles in *The Sun* last week described an explosion in the cost of Social Security aid for the blind, aged and disabled, which is expected to reach $96 billion by the end of the decade. It outlined problems in disability aid for children, immigrants, drug addicts and alcoholics.

In interviews, Rep. Benjamin A. Cardin, the Baltimore Democrat, said he favors substantial alterations in programs for addicts, alcoholics and children.

Rep. Kweisi Mfume, a Baltimore Democrat, wants a crackdown on drug addicts and stepped up anti-fraud enforcement, including stiffer

See SSI, p. 25

St. Louis Post-Dispatch (MO); 1/30/95

Debate Heats Up Over Plans For Welfare Reform

Shalala Calls For Safety Net; Gramm Seeking Overhaul

WASHINGTON (AP) — The federal government must continue to provide a safety net for poor children and teen-age mothers as it cedes welfare responsibilities to the states, Health and Human Services Secretary Donna Shalala said Sunday.

But Sen. Phil Gramm of Texas, a GOP presidential hopeful, said on NBC's "Meet the Press" that the time has come for drastic action. "You can't change this mammoth system without hurting some people."

The issue of who will be guaranteed protection under a revamped welfare system is at the top of the list of differences as the Democratic administration and Republican-led Congress stake out their positions.

Republicans emerging from a 5½-hour discussion of welfare reform with President Bill Clinton on Saturday stressed that House GOP legislation that imposes tough restrictions on benefits was the only proposal on the table now.

But Shalala, appearing Sunday on CBS' "Face the Nation," noted that Clinton had said government should not be creating more poor American children. "That's a national issue," she said. "It's a debate about values, about how we take care of our children."

Clinton has proposed cutting off welfare benefits to recipients after two years and giving states more flexibility in setting up welfare programs. The House GOP plan would give states block grants and allow them to determine how to allot the funds; deny cash welfare to unmarried mothers under 18; and end aid to legal immigrants who have not become citizens.

Shalala said the president had "very serious questions about whether teen-agers who have babies should be cut off from any cash assistance."



Donna Shalala
"Debate about values"



Sen. Phil Gramm
Drastic action needed

She also took exception to the GOP proposal to cut off aid to unwed mothers until the fathers of their children are identified. Those women who play by the rules and cooperate should get transitional help, she said.

But Shalala did not totally reject the Republican plan on legal aliens. The administration wants the sponsors of immigrants to bear financial responsibility, she said. If that doesn't work, "we'll have to see."

See WELFARE, Page 4

Welfare

From page one

Gramm contended that it was time to tell people that they would not be guaranteed benefits merely for having children. He said he also would support barring benefits to all future legal immigrants.

Entitlements

Rep. Clay Shaw, R-Fla., chairman of the House Ways and Means subcommittee overseeing welfare reform, insisted that the concept of entitlements — guarantees that poor people will receive benefits — must change.

"Entitlements are government on auto-pilot," Shaw said on "Face the Nation." "With the balanced budget amendment coming up, I think we're going to have to look at all entitlements." Giving a 13- or 14-year-old child cash to raise a baby independently is "federally funded child abuse," he said.

Shaw said Republicans were working on some type of emergency fund that would come to the aid of states during economic downturns.

But Gov. Howard Dean of Vermont, the Democratic chairman of the National Governors' Association, said Democrats would draw the line over the issue of a safety net for poor children. And he said they want guarantees that states won't divert block grants to other programs.

"What I don't want to do is go back to a time where people are not allowed to do certain things because they are poor," Dean said on ABC's "This Week with David Brinkley. "Why not have a minimum standard of decency in this block grant that says poor children must be taken care of?"

Mexico Aid In Trouble

The administration's rescue package for Mexico is headed for defeat because Clinton has not exerted the leadership needed to convince Congress, Gramm said.

"We're seeing a real failure of presidential leadership, and I think a lot of Americans are going to lose their jobs as a result," he said.

The White House is pressing Congress to approve $40 billion in loan guarantees to help Mexico out of a currency crisis that has resulted in the peso's dropping 40 percent in value compared to the dollar over the past month.

Many lawmakers charge that the plan does not provide adequate collateral or that conditions should be attached committing Mexico to improved labor, environment or immigrant control policies.

'A Real Loser'

A GOP plan to set up a national commission to review national security issues is "a real loser," Sen. Sam Nunn, D-Ga., said Sunday on "Meet the Press."

Nunn said the GOP idea of a one-year commission to look at military strategy, force structure and procurement was far too ambitious. "If you did all that, you'd save some money, because you could abolish the secretary of defense, the Joint Chiefs of Staff, the joint staff, and all the people in the Pentagon.

"There are some parts of the Republican contract on defense and national security I agree with, but I think the commission idea is a real loser."

Nunn's statements echoed testimony before a House committee last week by Defense Secretary William Perry, who said the stated goal of the commission "usurps the responsibilities of the secretary of defense."

Wash. Times; 2-5-95

House panel OKs Democrats' welfare bill, shelves Allen's

RICHMOND (AP) — A welfare-reform package sponsored by the chairman of the Health, Welfare and Institutions Committee advanced to the House of Delegates floor as committee members rejected an administration-backed bill.

Delegate David Brickley, Prince William Democrat, sponsored a bill that builds on a welfare-reform package that passed last session and was signed by Gov. George F. Allen but never implemented.

Secretary of Health and Human Resources Kay Cole James said the administration was held up on last year's bill because of the federal government's waiver-application process. But Democrats contended she could have moved faster.

Mr. Brickley's bill, which passed 19-3, would phase in one-year work requirements after a year of education training, with hardship exceptions.

The failed bill sponsored by Delegate Robert McDonnell, Virginia Beach Republican, would phase in a two-year work requirement with fewer exceptions. It also would deny additional benefits to women who have another child while on public aid.

Mr. McDonnell's bill, which failed to advance on a 12-10 vote, was a slightly watered-down version of one that died in a Senate committee on Thursday.

N.Y. Times; 2-4-95 p. 1

Tough Welfare Restrictions Proposed for Massachusetts

By MICHAEL COOPER
Special to The New York Times

BOSTON, Feb. 3 — Massachusetts lawmakers are putting the final touches on a bill that would give their state one of the most restrictive welfare systems in the country.

The legislation would require at least a third of the state's able-bodied welfare recipients to find work after 60 days, eliminate any increase in payments to mothers who have more children while on welfare and end payments altogether for beneficiaries who have been receiving assistance for two years.

Other states are considering, or already experimenting with, each of these elements individually. For example, a dozen or so states are experimenting with various forms of a two-year limit on benefits. And Arkansas, Georgia and New Jersey have already ended the practice of giving extra benefits to people who have more children while on welfare.

But Massachusetts stands to become the only state to try all three provisions at once. Both houses of the Legislature passed welfare overhaul bills this week. After a conference committee irons out the minor differences between the two versions, a final bill will be sent to Gov. William F. Weld for his signature.

Governor Weld is expected to sign the final bill, and the Clinton Administration's policy has been to grant great leeway in approving the waivers required for changes in the rules governing the primary state-Federal welfare program, Aid to Families With Dependent Children. The Administration has generally denied waivers only when it considers changes unconstitutional.

The Legislature is working against a deadline imposed by Governor Weld, a Republican, who vetoed last year's attempt at a welfare overhaul and financed the current system only through Feb. 10, next Friday. Mr. Weld, who submitted his own, stricter bill in January, has indicated that he is amenable to a compromise.

"Because work is the only sure

Cont'd on next page

Wash. Times; 2-4-95

Welfare cuts near passage in Mass.

BOSTON (AP) — The Massachusetts legislature is on the verge of passing what may be the toughest welfare reform program in the country, a plan that would force more than one-third of able-bodied recipients to get jobs within 60 days.

"There is a frustration and an impatience with people remaining on welfare seemingly ... for indefinite periods of time," said Sen. Thomas Birmingham, Ways and Means Committee chairman, after the Senate Thursday approved a welfare-overhaul bill by 35-2.

Gov. William F. Weld vetoed a reform bill last year because it did not contain mandatory work requirements. Mr. Birmingham, a Democrat, called the Senate's new bill a "more Draconian and punitive version."

Changes in the program require approval from the federal government, which helps pay for welfare.

The Senate bill will have to be reconciled with a bill the House passed 141-8 last week. Both versions would require a significant portion of the state's welfare recipients — from 18,000 to 20,000 people — to go to work in 60 days, either in private-sector jobs or state-financed community service.

Both versions would cut off welfare checks after two years for able-bodied adults, and force teenage mothers to finish high school and live with their parents or in a group home to collect benefits.

The bills also would prevent mothers from collecting an extra $90 a month for each additional child they have while on welfare — a provision that prompted emotional debate in the Senate.

Advocates for welfare recipients say Massachusetts is taking a step backward.

"There is no question you can reduce welfare by cutting it off," said Deborah Harris, a lawyer with the Massachusetts Law Reform Institute. "What it will not do is alleviate poverty or assist children that the program was designed to serve."

Other states have initiated many elements in the Massachusetts proposals. But no state has enacted such a broad requirement to go to work after 60 days, said Jodie Levin-Epstein, an analyst with the Center for Law and Social Policy.

The Massachusetts legislature is under a deadline to send a plan to the governor because Mr. Weld, in an effort to push lawmakers to action, ordered money for welfare checks cut off after next Friday.

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path out of poverty, this bill is based on the fundamental principle that able-bodied welfare recipients are best served by being assisted, and sometimes nudged, into a paid job or community service," Mr. Weld said in a written statement last month after he filed his plan.

All three versions of the legislation would require at least a third of able-bodied welfare recipients to find a job after 60 days or to perform community service at homeless shelters, hospitals, nursing homes or other nonprofit agencies.

Mr. Weld defined "able-bodied" as anyone who is not "caring for a disabled family member or are themselves disabled, teen parents attending high school or women in the third trimester of pregnancy or who have just given birth."

State Senator Therese Murray, a Democratic sponsor of the Senate bill, said: "This is not done out of meanness or mean-spiritedness. It's done because we feel that the system we have in place is paternalistic and keeps women and children in poverty."

About 105,000 people receive welfare benefits in Massachusetts, of whom nearly half are considered able-bodied adults. But exactly how the 60-day time limit will work is yet to be determined.

The House bill would initiate the overhaul as a pilot program involving about 20,000 people who live in communities chosen for the experiment. The State Senate wants it to apply only to 18,400 parents whose children are old enough to attend school. The Governor wants it to apply to all able-bodied welfare recipients statewide.

Some policy analysts and advocates for poor people have criticized the 60-day limit, saying there are not enough jobs in the private sector to go around and that community service is not a selling point on a résumé.

"All the studies have shown that if you force someone into community service, it does not improve their chances of finding a real job or learning the skills they need," said Steve Savner, a senior staff lawyer at the Center for Law and Policy, an advocacy group in Washington that focuses on welfare policies.

In Massachusetts, the average family of three receives $579 a month in benefits. Under the current system, families get $90 for each extra child they have. All three Massachusetts bills call for ending additional benefits to families who have more children while they are on welfare.

One state is trying all three common ways of saving money on welfare.

"Anybody who is on public assistance should not even contemplate bringing another child into this world," said Thomas M. Finneran, the chairman of the House Ways and Means Committee. "If my wife and I have another baby, my salary does not go up."

Critics said the provision would harm innocent children without reducing the birth rate among welfare recipients. "The bottom line is that this punishes the children," said Mr. Savner.

Deborah Harris, a lawyer for the Massachusetts Law Reform Institute, a nonprofit group that provides legal services for the poor, said: "There is no evidence that welfare families have additional children for the small increment, which is about $90 a month in Massachusetts. Welfare families know that you cannot raise a child for $90 a month."

All three versions of the legislation would require that to receive benefits, teen-age parents finish high school and live at home, in a group home or in another state-approved setting.

All three would also end welfare payments after two years, although the bill passed by the Senate, and the one proposed by the Governor, allow for extensions in certain cases of hardship as determined by the state's welfare commissioner. "After that, you're on your own," Mr. Finneran said. "The whole system is supposed to be temporary, to be transitional. It's a bridge — it's just a bridge."

Mr. Savner questioned what would happen after the two-year time limit expired. "What is that family going to do in Massachusetts?" he asked. "Aid to Families With Dependent Children is a program of last resort. What do you do when your time is up?"

Although the welfare -reform plans would trim the rolls, they would save little money in the short run. Continuing the current system another year would cost $804 million, according to said Richard Powers, a spokesman for the Department of Public Welfare. Governor Weld's plan, the most severe reform, would cost approximately $773 million. All three bills call for spending more state money on child care so that welfare recipients can go to work. The Senate's plan might cost more money at first, Ms. Murray said, but would pay off over time. "It will save us money over all," she said.

Wash. Post; 2-5-95 p. 1

Child-Care Centers Get Low Ratings

Quality Is Mostly 'Poor To Mediocre,' but Worst For Infants, Study Says

By Barbara Vobejda
Washington Post Staff Writer

The vast majority of the 5 million American children who spend their days in child-care centers are receiving "poor to mediocre" care, and one in eight are in poor-quality settings where their health and safety are threatened, according to a multiyear study of hundreds of centers.

The study, conducted by a team of academics at four universities and scheduled for release today, rated just one in seven centers as good quality, where children enjoyed close relationships with adults and teachers focused on the individual needs of the children.

The study said problems were most prevalent in care for the youngest children: 40 percent of infant and toddler rooms were given poor ratings.

"The level of quality at most U.S. child-care centers, especially in infant/toddler rooms, does not meet children's needs for health, safety, warm relationships, and learning," said the report, which was funded by several major foundations. While quality varies widely, the report concluded, most child care is "sufficiently poor to interfere with children's emotional and intellectual development."

The findings come as Congress debates whether to require millions of single mothers on welfare to work, which would dramatically increase the need for child care at the same time federal funding for such care may be reduced.

The study, entitled "Cost, Quality and Child Outcomes in Child Care Centers," is one of a handful of comprehensive studies of day care. It follows by less than a year a study by the New York-based Families and Work Institute that found comparably poor levels of care available in "family day care," in which children are cared for in another person's home rather than a center.

Together, the studies paint a bleak picture of child care, a subject of intense interest in this country, where more than half of mothers of young children are employed.

See DAY CARE, A8, Col. 1

DAY CARE, From A1

"It is a wake-up call," said Barbara Willer, spokeswoman for the National Association for the Education of Young Children (NAEYC) here. "As a nation we have not paid enough attention to the daily environment of 5 million of our preschool children."

Among employed mothers with children under age 5, 33 percent use family day care, 28 percent use day-care centers, 28 percent juggle their schedules so children can be cared for by the parents, and 10 percent arrange for care in their own homes with a nanny.

The new study found that parents greatly overestimate the quality of care their children are receiving. Ninety percent of parents surveyed as part of the study rated their children's programs as very good, while trained observers found that most of the same centers were poor to minimal.

"Parents need to be much better informed consumers," said Suzanne Helburn, an economist at the University of Colorado and principal investigator on the study. "They need to spend as much time looking for child care as buying a new car."

Among the most troubling findings, the study said, was the relatively lower quality of care for the youngest children.

"Babies in poor-quality rooms are vulnerable to more illness because basic sanitary conditions are not met for diapering and feeding; are endangered because of safety problems that exist in the room; miss warm, supportive relationships with adults; and lose out on learning because they lack the books and toys required for physical and intellectual growth," the report said.

In the poorest-quality centers, researchers said they saw no warmth or support from the adults toward the children. The teachers were not encouraging any learning, and the centers were run in such a way that children could become ill or hurt because of unsafe and unsanitary conditions.

The teachers in the poor-quality centers made less than the average hourly wage in the centers studied, which was $7.22 for teachers and $5.70 for assistant teachers. The researchers found that several factors improved the quality of care, including a higher number of teachers per group, higher teacher education and a more experienced administrator. Centers that were required to meet certain standards provided better quality, as did those with sources of funding other than parent fees. Those included centers in public schools, colleges and universities; those run by municipal agencies; and those at work sites.

Centers with access to additional funds, such as employer subsidies, pay higher wages and have higher staff-to-child ratios and teachers who have been on the job longer.

WHAT PARENTS SHOULD LOOK FOR

The study found that good-quality care was more likely in centers with:

- High staff-to-child ratios
- Higher levels of staff education
- More experienced administrators
- Higher teacher wages
- Lower teacher turnover

Researchers found a wide variation among state licensing requirements and said there were fewer poor-quality centers in states with the most demanding standards.

Researchers used as their standards in the study those issued by the NAEYC, which recommends staffing ratios of one adult for every three to four infants, one adult for four or five 2-year-olds and one adult for eight to 10 4-year-olds. The organization recommends that day-care teachers have at a minimum a "child development certificate," which usually requires a nine-month study program, and that directors have at least a bachelor's degree in a related subject and three years' experience.

The study found that quality was higher in centers where more teachers had college degrees.

The researchers also concluded that children in higher-quality care benefit socially and intellectually, have a more positive view of themselves and are more likely to share a warm relationship with their teachers.

The researchers observed 400 centers in four states: California, Colorado, Connecticut and North Carolina. The centers did not include traditional preschools, where children attend only part of the day and part of the year. The study was conducted by researchers at the University of Colorado at Denver; the University of California, Los Angeles; the University of North Carolina; and Yale University.

The report recommended that states implement higher standards for child care and that governments and the private sector spend more to help families pay for child care and improve staff training.

Ellen Galinsky, co-president of the Families and Work Institute, said the findings in this study were "strikingly similar" to those regarding family day care in the study she helped conduct last year.

Of family day-care settings that were regulated by states, she said, 12 percent were rated good quality, 12 percent were inadequate, and about three-quarters were considered safe, but children were not learning.

USA Today; 2-6-95

Most day care poor to just OK

By Anita Manning
USA TODAY

The care children get at most day-care centers is "poor to mediocre," and in 12% of centers, children's health is jeopardized, says a study released today.

In 1993, researchers looked at 400 centers, 100 each in California, Colorado, North Carolina and Connecticut. Findings:

▶ One in seven (14%) was rated "good" or "excellent," meaning children's health and safety needs were met, the children received warmth and support from staff and learning was encouraged.

▶ One in eight (12%) was rated less than minimal — the children were ignored, standards for health and safety were not met and no learning was encouraged.

▶ The remainder (74%) received ratings just above "minimal," indicating that health needs are met, but children don't get much attention or educational encouragement.

The researchers, from the Universities of Colorado at Denver, California at Los Angeles, North Carolina at Chapel Hill and Yale University, New Haven, Conn., were most concerned about care given to babies. Of 225 infant or toddler rooms observed, 40% rated less than minimal. In these centers, hygiene was poor, there were safety problems, babies weren't held and there weren't appropriate toys.

Young children need the right kind of attention at the right time to develop fully, says Barbara Reisman of the Child Care Action Campaign, an advocacy group. By not assuring good care, she says, "we're slamming shut a very important window of opportunity and it can't be reopened."

-Wall St. Jrnl.; 2-6-95

Child Care Is Worse Than Believed, With Safety Jeopardized, Study Suggests

By Sue Shellenbarger
Staff Reporter of The Wall Street Journal

WASHINGTON – In a wake-up call to parents, a major study says the quality of care provided by the nation's child-care centers is even lower than previously believed, with 40% of infants and toddlers in conditions that threaten their health and safety and discourage learning.

In the broadest study so far of average U.S. day care, researchers at four universities found that 86% of child-care centers provide care so mediocre that it may interfere with children's emotional and intellectual development and compromise their readiness for school. Only 14% of centers offer high-quality care, including safe surroundings, adult warmth and support and interesting learning opportunities, according to the study, which is set for release today.

A major problem, the study suggests, is that parents aren't demanding quality, partly because they can't see what goes on in the classroom and don't know how to evaluate it. Researchers found most parents significantly overestimate the quality of the care their children receive.

The 2½-year, four-state "Cost, Quality and Child Outcomes" study is the first to link research on child-care costs, the quality of care and its effects on children. Its quality findings are even more dire than previous studies documenting major problems by the Families and Work Institute, New York, and the National Center for the Early Childhood Workforce, Washington, D.C.

For the latest study, researchers from the University of Colorado, the University of California, the University of North Carolina and Yale University visited 400 randomly chosen child-care centers in California, Colorado, Connecticut and North Carolina, observing classrooms and doing interviews and surveys with directors, teachers and parents. They also studied the development a few months later of 826 children from the centers.

They found that workers in two out of five infant and toddler programs failed to safeguard children's health and safety. The staffers neglected to supervise the children properly or follow good handwashing and cleaning procedures, and they exposed them to dangerous equipment such as broken or hazardous playground toys, sharp-edged furniture or changing tables without protective edges to keep babies from rolling off.

Researchers found that market factors – particularly consumers' tendency to demand high quality service – don't work when applied to child care. Parents pay about the same fees for poor quality as for high quality care. This "lack of consumer knowledge" gives child-care centers little financial incentive to improve, the study says.

Other Findings:

- Parents pay only part of the full cost of providing even mediocre child care. Donations and teachers' willingness to work for low pay subsidize about 25% of the full cost (assuming staffers were paid what they probably would make doing comparable jobs outside the child-care field.)
- Centers that receive outside funding or donations in addition to parents' fees tend to provide higher quality care. These include college and university centers, employer-subsidized facilities and centers that receive state grants for meeting quality standards.
- High staff-to-child ratios is the characteristic most closely linked to high quality care, followed by staff education, center administrators' experience and staff stability.
- Children in higher quality centers had more advanced social skills, more positive attitudes and warmer relationships with their teachers than children in low quality settings.

The study was funded by the Carnegie Corp. of New York, William T. Grant Foundation, the JFM Foundation, the A.L. Mailman Family Foundation, the David and Lucile Packard Foundation and the Pew Charitable Trusts.

The Kansas City Star Tuesday, January 31, 1995

Success might not save Head Start from GOP

By DONALD BRADLEY
Staff Writer

Their lunch of ham, cooked cabbage and corn bread gone, the 4-year-old boys and girls sang their way through the church basement hallway and back to their classroom at the Paseo Head Start Center.

"Seven little, eight little, nine little snowflakes, falling to the ground."

Dwayne Crompton, head of Operation Head Start in Kansas City, which serves 1,900 children, watched and worried.

He knows that Head Start could be finished — if Republican welfare reformers get their way.

Starting in 1965, the Great Society's early childhood education program's mission was to see that millions of low-income American children ate right, dressed warmly, got their shots and were

See GOP, A-8, Col. 3



Painting frogs kept Head Start pupils Kennesha Hamilton (left) and Antwione Newton, both 4, busy recently in Yolanda Newman's class at Christ Temple Pentecostal Church, 3400 the Paseo.

JIM McTAGGART
The Star

Continued from A-1

prepared for kindergarten.

By most accounts, the program has done its job quite well. But a successful track record might not be enough to save Head Start from being lumped with less-effective programs and dumped in the name of welfare reform.

Led by House Speaker Newt Gingrich, some Republicans have called for a re-examination of Head Start and other federal welfare programs. Such action could lead to a dramatic shift of power back to the states.

At the National Governors' Association conference, which concludes today in Washington, Republican governors are pushing for Head Start and its $3.3 billion financing to be "block granted" with other child-care programs to the states to do with as they see fit.

Democrats argue that too big a shift could remove vital safety nets for children in poverty.

But "states know best what their people need," said Stephanie Comai-Page, a social-welfare policy adviser who helped write Michigan Gov. John Engler's welfare-reform plan that has been endorsed by the Republican Governors' Association.

The proposal would give states nearly total control over welfare programs.

Comai-Page conceded that Head Start "did a lot of things well," but she put it in the category of programs that were too costly and too bureaucratic and that allowed too many people a free ride.

The cost is about $3,354 annually for each Head Start child. The child's family typically pays nothing.

"The status quo of these programs is not an option," she said. "They are not in line with sound fiscal policy."

Kansas Gov. Bill Graves, a Republican, has not made a decision on Head Start but is committed to a plan that would allow states more flexibility in the handling of welfare programs, a spokesman said.

Crompton and other Head Start supporters argue that the Republican plan would result in a two-tier system where quality would vary, depending on how "child friendly" a state was.

"Missouri has never made child care a high priority," Crompton said. "This state doesn't even require all its child-care centers to be licensed. What kind of quality would we have if Missouri takes over what we're doing?

"Why don't they just leave it alone?"

Because, simply put, the Republicans think they can do the job better. They say their proposal would be cheaper and less bureaucratic and give states more say in who gets benefits, who doesn't and who needs to look for a job.

But Sarah M. Greene, chief executive officer of the National Head Start Association, said it was unlikely that any state would require the same child-care standards that Head Start required.

She also thinks many Head Start extras could be lost in a shuffle. Those include health care, required parental involvement, immunization, nutrition training for parents and links to social services for parents — housing, employment, food and clothing assistance.

"Why mess with something that has worked and worked well for 30 years?" asked Greene, who was in Kansas City recently.

In 1965, President Lyndon B. Johnson, as part of his Great Society effort "to enrich and elevate our national life," came up with a series of programs, including Head Start, to aid the poor, the young and the elderly.

Gingrich has labeled most of them disasters — costly, wasteful failures.

Siretha Gentry would disagree with him about Head Start. In 1969 she was a single, working mother on Kansas City's East Side. She needed child care for her 3-year-old son, Henry.

Head Start had just arrived in Kansas City.

"That's where I learned that learning was fun," Henry Gentry says today. He is now 28, a University of Kansas graduate and a certified public accountant.

He called Head Start an "educational equalizer" for its ability to prepare low-income children for kindergarten.

"Even though my mother stressed education, I know that I would have been at a disadvantage when I started school if I hadn't gone to Head Start," Gentry said.

Donna Shalala, U.S. secretary of health and human services, and Marian Wright Edelman, president of the Children's Defense Fund, have criticized the Republican plan, saying it is unfair to low-income families.

Head Start is administered by the Department of Health and Human Services but is operated locally by agencies such as Kansas City's KCMC Child Development Corp., which runs 14 centers in the area.

The arrangement provides even more local control than what the Republicans propose, Greene said.

"What they want is already being done right here in Kansas City," she said. "Those governors just want the money."

In 1993 Missouri received $45.6 million to serve an enrollment of 13,592 children. Kansas received $17.9 million for 5,389 children.

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Balt. Sun; 2-6-95

Former orphanage residents look back

Dear Readers: I asked my readers who had been in an orphanage to share their experiences with me. Did I get letters! Read on:

Dear Abby: *It was a hot day in August 1946 when I learned that my mom was sending me to a children's home. I was 10, scared to death and puzzled as to why she was keeping my younger brother and sister. She told me I was a troublemaker and too hard to handle. I panicked and ran away, but was captured hours later. A very nice caseworker took me to Cleveland.*

Feeling unwanted, I withdrew, developed a severe stuttering problem and cried constantly. Seven years later, with the kindness and compassion of a thoughtful staff, I had developed a sense of values and an inner strength. My assigned "Big Brother" and his family greatly helped me develop these assets.

I left the home at 17 . . . educated myself, overcame my stuttering, became a successful corporate CEO, and now enjoy multimillionaire status. I retired at 52. Thank you, Bellefaire and the Big Brothers organization!

— Irwin Kahn, Franklin, Ohio

Dear Abby: *When I was 7, my mother left me in the middle of the night. I lived with my grandparents for a while, where I was molested by my father and my uncle. Then I was sent to an orphanage until I was 15. I learned to cook, sew, and get along with other people. I went to a private Catholic school; the sisters lent me money to get through nursing school. I shudder to think what my life would have been like if I had stayed with my father and grandparents.*

— Lucky Girl from New York



ABIGAIL VAN BUREN

DEAR ABBY

Dear Abby: *My father died when I was 3 years old, and I was placed in an orphanage in Philadelphia. It was surrounded by a stone wall 10 feet high. My two-year stint in the Navy was a breeze compared to that orphanage, but I have no regrets. It taught me how to cope.*

— Richard Winters, Fresno, Calif.

Dear Abby: *Newt Gingrich is not a nut living in a Boys Town fantasy. When I was 4 years old, I was placed in an orphanage in New Orleans along with my sister who was 6, and my brother, 8. When I look back on those years, it wasn't so bad. We were in a safe place, and never mistreated. I'm 64 now and feel lucky. It sure beats what's happening to some kids today.*

— Mildred K., Mississippi

Dear Abby: *My mother died at the age of 32. I was 6, the youngest of four. Our father was an alcoholic. My teacher had reported my poor school attendance to the juvenile authorities, who visited my home and found that I was neglected. I was immediately placed in the Iowa State Soldiers' Orphanage in Davenport, Iowa, where I lived for 10 years.*

There were 950 boys and girls living on campus, segregated, of course. We all dressed in uniforms and were served three healthy meals a day. There was no evidence of love, but I was lucky to have a clean, safe place to live.

— Another Orphan

Dear Abby: *My father must have had a premonition, because he told my mother that if anything happened to him, she should place their five children in the Masonic home in Indiana. At age 40, he died suddenly. I was 6 years old and lived in the Masonic home until I graduated from high school.*

I received an excellent education, had all kinds of musical exposure. I met my high school sweetheart there, and in June, we will celebrate our 50th wedding anniversary. We have four children, all college-educated.

— Gladys Leibson, Lebanon, Ohio

Universal Press Syndicate

USA Today; 2-6-95

Clinton lays down cards today

GOP says cuts are just the beginning

By Judy Keen
and Richard Wolf
USA TODAY 8A

Congressional Republicans say President Clinton's $1.6 trillion budget is a down payment on their own plan, which will pare even more spending and whittle the deficit even further.

Clinton's budget, being presented today, would cut government spending by $144 billion over the next five years, using $63 billion of the savings for middle-class tax relief and $81 billion to lower the deficit.

Most of Clinton's cuts come from discretionary domestic programs. He doesn't propose touching Medicare, Medicaid or Social Security — about half of government spending.

Both parties consider Social Security sacrosanct. But the GOP is taking aim at Medicare and Medicaid as it tries to fulfill a campaign goal of a balanced budget by 2002.

Clinton, says House Budget Committee Chairman John Kasich, R-Ohio, "refused to deal with entitlements, and we are going to have to if we are going to get to zero over seven years in terms of a balanced budget."

Clinton's budget compresses 271 programs into 27 and kills 131 others.

Emphasis on trimming and merging government programs and leaving the inevitably unpopular cuts to Congress could help Clinton politically:

▶ Shrinking the government lets him argue he's heeding voter demands.

▶ By insisting Medicare and Medicaid cuts must be done in the context of sweeping healthcare changes, he may be able to revive some reform ideas.

▶ In 1996, voters might be more inclined to blame Republicans if Medicare and Medicaid are cut.

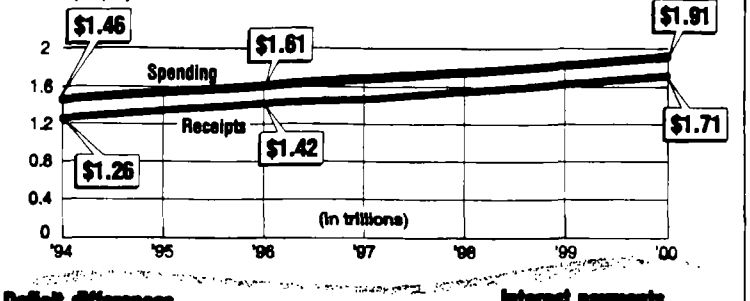
Sen. Pete Domenici, R-N.M., suggested on ABC's *This Week with David Brinkley* $100 billion in Medicaid savings could be achieved by limiting growth to 6% annual increases instead of the 11% now allowed.

The Republican Congress could jettison Clinton's budget and start from scratch. But it probably will go along with many cuts, then cleave deeper.

"I don't think it's dead on arrival," says James Miller, who was Ronald Reagan's budget director. "It will make him a player on the Hill. He will be signaling what new ideas he wants to go along with."

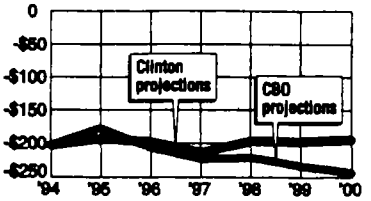
1996 federal budget

President Clinton's 1996 fiscal-year federal budget, being released today, calls for $1.61 trillion in spending with $1.42 trillion in receipts from taxes and borrowing. Clinton's spending and receipts projections:



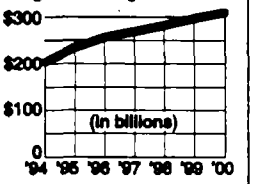
Deficit differences

The Clinton budget projects a smaller deficit by 2000 than the deficit projected by the Congressional Budget Office:



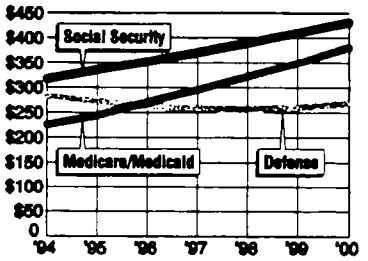
Interest payments

Financing the national debt will result in a more than 50% increase in interest payments by 2000 under the Clinton budget. Interest growth:

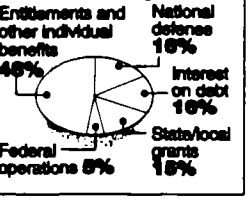


Entitlement growth

In the 1996 budget, Social Security and Medicare/Medicaid spending will surpass spending on national defense. Spending projections:



The Clinton budget



Sources: Office of Management and Budget; Congressional Budget Office

By Gary Visgaitis, USA TODAY

House Appropriations Committee Chairman Bob Livingston, R-La., says Clinton has "made a conscientious effort to start" the trimming process.

As congressional hearings on Clinton's budget begin this week, expect battles over:

▶ Deficit reduction. Clinton hasn't met his goals, but Republicans haven't outlined what they would cut to achieve a balanced budget by 2002 — $1.2 trillion, says the non-partisan Congressional Budget Office.

Clinton's budget, says Sen. James Exon, D-Neb., is "the first hand" in his poker game with Republicans. He "wants them to show their hole card."

"When Republicans have at least shown they can pay for all their tax cuts and match our record of $500 billion in net deficit reduction, then we can have a conversation about who's doing more," says Clinton economic aide Gene Sperling.

▶ Tax cuts. Clinton's budget offers, and pays for, a $500 tax credit for children below age 13 in families earning less than $75,000 a year, breaks for people saving money for college and job-training vouchers.

"Everybody would like the deficit lower," says Clinton budget director Alice Rivlin. "But you have to make tradeoffs. ... So we have tax cuts in this budget and we have additional deficit reduction."

House Republicans' $200 billion in cuts include the tax credit for children 18 or younger in families making up to $200,000 and a capital-gains cut for people who sell property.

"I think we shouldn't be cutting taxes now," Sen. Robert Byrd, D-W.Va., said Sunday on NBC's *Meet the Press*. "The monies that are saved from reductions in programs ought to go toward balancing the budget and reducing the deficit."

▶ Priorities. Clinton would scrap 131 programs and restructure three Cabinet agencies and two departments.

He wants more money for the Border Patrol, technological research, his volunteer service program and anti-crime efforts. His budget adds $9.6 billion next year to programs he believes will help the economy: Head Start, nutrition and education for the poor.

Republicans want to cut the budgets of public broadcasting and the Food and Drug Administration, kill crime prevention programs and reduce aid to Russia and Africa. They want more money for prisons and cops and no more defense cuts.

"There's going to be a lot of screaming and yelling and complaining and crying, but it's going to come primarily from lobbyists," Kasich says. "I don't believe it will come from the people out there."

Clinton's budget "will probably be a footnote," says Sen. Don Nickles, R-Okla. The risk, he says, is that Republicans may "look like we're Darth Vader."

▶ Clinton budget, 1A
▶ Today's debate, 10A

Programs that face extinction

The Clinton administration's 1996 budget proposes to terminate 131 federal programs, for a savings of $1.9 billion. Here's a look at the highlights:

▶ **Agriculture:** 4 programs, $85 million in savings. Included are $68 million for buildings under the Cooperative State Research Service, $12 million for cattle tick eradication.

▶ **Commerce:** 47 programs, $117 million saved, mostly in small operations, research and construction.

▶ **Defense:** 5 programs, $530 million in savings. Top items eliminated are the Tri-Service Standoff Attack Missile ($322 million), the AH-1W helicopter ($130 million) and the Air Force T-1 trainer ($151 million).

▶ **Energy:** 6 programs, $80 million increase the first year as privatization efforts begin, leading to profits of $3.7 billion from sales credited in later years.

▶ **Education:** 35 programs, $751 million saved. Includes $347 million in grants to states for innovative programs, $100 million from infrastructure programs, $35 million from dropout prevention demonstration programs and $16 million from impact aid to school districts.

Cuts include terminations of aid for education programs for migrant workers ($10 million), several scholarship and fellowship programs, like $2 million for Christa McAuliffe fellowships and $12 million for education for native Hawaiians.

▶ **Health and Human Services:** 5 programs, $53 million in savings, including $24 million for economic development.

▶ **Housing and Urban Development:** 1 program, $290 million. Eliminates special purpose grants.

▶ **Interior:** 11 programs, saving $39 million. Eliminate the Rural Abandoned Mine Program, saving $8 million.

▶ **Labor:** 2 programs, $3 million in savings.

▶ **Transportation:** 2 programs, $48 million, including termination of essential air service grants.

▶ **Veterans Affairs:** 1 program, $1 million.

▶ **Corps of Engineers:** 1 program, $46 million in savings.

▶ **EPA:** 2 programs, $12 million savings. Includes the clean lakes program for the Great Lakes.

▶ **Small Business Administration:** 2 programs, saving $18 million.

▶ **Others:** $4 million by terminating the Interstate Commerce Commission, $1 million by ending the Chemical Safety and Hazard Investigation Board, $1 million by eliminating the office of the nuclear waste negotiator.

Wash. Post; 2-6-95

Clinton Administration Defends Decision Not to Seek Further Deficit Reduction

'96 Budget Gap Is Price for Middle-Class Tax Cuts, White House Says

By Clay Chandler and Stephen Barr
Washington Post Staff Writers

The Clinton administration yesterday defended its decision to forgo deep deficit reduction in its new budget, contending its modest reduction in fiscal red ink was the price of trying to provide tax cuts for middle-class Americans.

The $1.6 trillion fiscal 1996 budget, which President Clinton will send to Congress tomorrow, proposes $63 billion in tax cuts over five years, including tax credits of $500 for each child younger than 13 and credits of up to $10,000 for education and job training.

The budget does not, however, bring government spending in line with revenue, projecting a deficit of $196.7 billion in fiscal 1996, which begins Oct. 1, $213.1 billion for fiscal 1997 and deficits of less than $200 billion through the end of the century.

"Could the deficit fall faster? Obviously it could, but there's a trade-off if you're concerned about living standards," said a senior White House official, who briefed reporters yesterday under the condition of anonymity.

The president's budget proposal would lower government spending by $144 billion below the level the administration estimates would be necessary for current government operations to keep pace with inflation.

Almost all of those savings would come from cutting $101 billion in discretionary spending, funding that must be appropriated by Congress each year. Of that amount, about $23 billion would come from paring operations at three Cabinet departments and two federal agencies. About $2 billion would be saved with the elimination of 131 programs, most of them small, and consolidating 271 other programs into 27.

The budget also claims an additional $29 billion in savings elsewhere, including the sale of federal facilities that generate electric power and market it at subsidized rates. The budget also shows $9 billion raised through fees and other tax-compliance measures and reflects a $5 billion reduction in interest payments on the federal debt.

The budget proposal leaves major benefit programs, including Social Security, Medicare and Medicaid, largely untouched. Such programs account for two-thirds of government spending and represent the fastest growing component of the budget.

The administration's budget does not include proposals for containing welfare and health care costs. Instead, the White House official said the administration is willing to work with the Republican-controlled Congress on those issues. "We're not saying, 'Republicans, go first,' " the official said. "We're saying, 'We want to work together.' "

The Clinton plan would use $81 billion of its savings over five years to lower the deficit. Administration officials stressed that while the deficit does not shrink in dollar terms, it would continue to fall as a percentage of the nation's economic output to 2.1 percent in 2000, the lowest since 1979.

"It is not optimal but it is not out of control," the official said.

The official dismissed criticism by leading congressional Republicans Friday that the White House plan was a pale imitation of Republican proposals calling for more tax relief, deeper spending cuts and a balanced budget by 2002.

"To say that we are 'Republicans Lite' assumes the Republicans actually have a plan that is 'Republicans Heavy,' " the official said. "We haven't seen it."

Administration officials have been pressing congressional Republicans for details of how they would wipe out the federal budget deficit in seven years.

The official said the budget would reflect three of Clinton's priorities: raising Americans' standard of living, streamlining government and strengthening the military.

The budget seeks to promote a rising standard of living not only through the tax cuts but by expanding individual retirement accounts and increasing spending on programs for children, such as Head Start.

"To build a more prosperous America, one with rising living standards for all Americans, we must turn our attention to those who have not benefited from the current recovery," Clinton says in the budget message he will send Congress on Monday.

The official, who provided a copy of Clinton's message, said increases in funding would be provided for anti-crime programs, tougher enforcement of immigration laws and environmental and scientific research programs.

To improve government efficiency, the budget would consolidate and eliminate mostly small or routine programs with a goal of providing states and localities with more flexibility in how they spend their federal dollars. The official said the budget would show a reduction of 173,000 employees in the federal work force by the end of 1996, putting the administration two-thirds of the way toward its five-year downsizing goal.

The budget seeks to strengthen the military, the official said, by improving readiness and increasing Pentagon spending in 1999 and 2000 to ensure that the armed forces can purchase new weapons systems or modernize their operations. Military spending would fall to $262 billion in fiscal 1996 from $282.2 billion in this spending year, and to $255 billion in fiscal 1998 before rising to $268 billion in 2000.

CALCULATING THE DEFICIT

BY FISCAL YEAR, IN BILLIONS OF DOLLARS

	1994	1995	1996	1997	1998	1999	2000
Income	$1,257.7	$1,346.4	$1,415.5	$1,471.6	$1,548.8	$1,624.7	$1,710.9
Spending	1,460.9	1,538.9	1,612.1	1,684.7	1,745.2	1,822.2	1,905.3
Deficit	203.2	192.5	196.7	213.1	196.4	197.4	194.4

Note: 1994 figures are actual, figures from 1995 onward are projections. Some figures were rounded off.
Source: Office of Management and Budget

USA Today; 2-6-95 p. 1

GOP says budget cuts not enough

By Richard Wolf
and Judy Keen
USA TODAY

President Clinton today sends a $1.6 trillion budget that cuts spending, taxes and the deficit to a Republican-run Congress bent on cutting more.

Clinton's blueprint, the first punch in a year-long fiscal fight, will be used as a building block toward the GOP's goal of a balanced budget.

But before it got out of the starting gate, it was criticized Sunday for what it fails to do over the next five years:

▶ Clinton's $144 billion in spending cuts spares the programs most responsible for red ink: Medicare and Medicaid.

▶ His $63 billion in tax cuts pales next to nearly $200 billion on Republicans' plate.

▶ His $81 billion in deficit reduction is a far cry from the $432 billion he cut in 1993 and the $1.2 trillion needed to balance the budget by 2002.

Sen. James Exon, D-Neb., top Democrat on the Senate budget panel, called Clinton's budget "only a beginning point, and a hesitating one at best."

Republican reaction:

▶ "His budget doesn't go far enough," said Senate Budget Committee chairman Pete Domenici, R-N.M., on ABC's *This Week With David Brinkley*. "He took a walk on the deficit."

▶ "This budget clearly lacks courage," said House Budget Committee chairman John Kasich, R-Ohio, also on ABC.

Clinton, in his budget message today, lauds his success in trimming the deficit from $290 billion in 1992 to $193 billion.

"Now that we have brought the deficit down, we have no intention of turning back," he says. "My budget keeps us on the course of fiscal discipline."

Clinton's budget scraps 131 programs, from helicopters and missiles to tree planting and cattle tick eradication to elimination of the Interstate Commerce Commission.

Next up: Republicans will go after Medicare and Medicaid, farm aid and student loans. Democrats will target defense and the space program.

"I think you will see people scream like stuffed pigs," says Rep. David Obey, D-Wis.

▶ Programs on list, 8A
▶ Analysis, 8A

USA Today; 2-6-95

Clinton to GOP: Your turn to handle deficit reduction

By William M. Welch
USA TODAY 8A

ANALYSIS

Presidents' budgets are usually more about politics than finances, and the message in President Clinton's couldn't be more clear: He's telling the Republicans who now run Congress to put up or shut up.

Clinton today sends Congress a spending outline for the next five years. Just like his predecessors', his budget envisions a sea of deficit red ink.

Clinton does propose some significant program cuts and consolidations, in keeping with calls for smaller government.

But by failing to make headway against deficits, Clinton has cranked up pressure on the new GOP Congress to live up to its budget-slashing promises.

That, of course, is the promise of a balanced federal budget by the year 2002. It's promise No. 1 in the House GOP's Contract with America.

The House has already approved a constitutional amendment requiring a balanced budget in seven years. The commitment may turn on a handful of votes in the Senate. But Democrats are still calling on the GOP plan to get there.

Clinton's budget won't help the Republicans much.

"It creates an environment where Republicans have to put their cuts on the table," says former representative Tim Penny of Minnesota, a Democrat who pushed deficit cutting.

There is a compelling political calculation behind Clinton's caution. Less than two years ago, he went to the mat and barely won from Congress a 1993 budget package he said would cut the deficit by $432 billion over five years. He did it without a single GOP vote, and his reward from the voters was a historic loss of Congress.

His predecessor, President Bush, learned a similar lesson. He reached a $482 billion deficit-reduction deal in 1990 and two years later was defeated.

Despite public calls for a balanced budget, "There's no majority for significant deficit reduction," says Brookings Institution's Joe White.

That's what Republicans are learning, and why they flinched from their own deadline for producing spending cuts to offset their $200 billion in tax cuts as a prelude to balancing the budget.

The spending cuts Clinton proposes, while significant, illustrate the enormity of the task. His cuts are confined to domestic discretionary programs, spending Congress can do something about.

The problem is, that side of the budget is less than 20% of total government spending.

The big money is in so-called entitlements. Some go to the poor, like welfare and Medicaid. But most go to the middle class, such as Medicare, Social Security, and military and government pensions. Clinton's budget doesn't touch them.

House Speaker Newt Gingrich says he wants to restructure Medicare. But he hasn't spelled out what that means.

Says Stanley Collender, budget analyst for Price Waterhouse: "Republicans who said they would put out a budget in January ... have found they can't get a lot of agreement on specific spending cuts, so they waited for Clinton."

If both sides were as worried about deficits as their rhetoric suggests, neither would be talking about tax cuts. Robert Reischauer, director of the nonpartisan Congressional Budget Office, says tax cut proposals of both parties "are in total conflict" with deficit reduction.

"It is impossible, if you place primacy on deficit reduction, to make an argument we should reduce taxes," he said.



By Denis Paquin, AP

FINISHED PRODUCT: Budget director Alice Rivlin and U.S. Public Printer Michael DiMario look over the new budget.

BUDGET, from p. 1

economy or stirring a revolt among voters whose favorite programs will be gutted. White House officials noted today that the House has already fallen behind schedule on its promise to produce a first round of budget cuts. And powerful Republicans who won Congress by promising to cut pork have begun to complain publicly about their discomfort at supervising a slaughterhouse.

"We've already given at the office," Representative Pat Roberts, the Kansas Republican who is chairman of the Agriculture Committee, said recently about calls for more cuts in farm programs. "I don't know how much is enough."

But in almost the same breath, he allowed that his committee "will meet our budget agreement" and produce whatever cuts are agreed on. Republican leaders insist other committees will, too.

"I will not dare say that every one of us is that committed," said Representative Robert L. Livingston of Louisiana, who heads the Appropriations Committee, "but the people in leadership are. The fact is, we've all been here for a good run for various lengths of time, and because of that, we recognize that if we're going to practice what we preach, this is the time."

What the Republicans are preaching — and the reason they need so many billions of dollars in spending cuts — is their political pledge made during last year's campaign season to balance the Federal budget by 2002. Mr. Clinton has charted a course of $200 billion-a-year Federal deficits for years to come. By contrast, House Speaker Newt Gingrich and many Senate Republicans committed themselves last fall not just to wiping out annual deficits, but to giving voters a tax break, as well.

The Congressional Budget Office says balancing the budget and giving voters a tax cut will cost up to $1.4 trillion by 2002. Republicans say that if they can cut spending by $700 billion between now and 2000, that should be enough to insure the budget will balance two years later, in 2002.

If the Republicans are holding the details of their plan close, its broad outline is no secret. Senators and representatives say in interviews that they hope to cut projected Federal spending by $600 billion to $700 billion through 2000 — with about 50 to 60 percent of that money coming out of entitlement programs like Medicare, Medicaid and food stamps.

The House expects to vote on the first $200 billion of those cuts in March, as part of the tax-reduction provision of the Contract With America. According to calculations by the House Budget Committee, first published last month in The Boston Globe, more than $110 billion of those cuts would be made by committees that control benefit programs like Medicare and food stamps, and another $75 billion would come from programs like road building, environmental protection and education. (Republicans and Democrats have put the biggest entitlement program, Social Security, off limits).

House leaders plan to roll out their remaining cuts in April or May, in the Republican version of the five-year budget blueprint that Mr. Clinton releases on Monday. The Senate, on the other hand, will propose all its cuts at once in its version of the Clinton budget, to be issued at about the same time.

This will probably touch off a summerlong debate, leading to a final Republican budget that Congress can send to Mr. Clinton by August. That will give the President time to veto it before going on his annual vacation, one Republican legislator said last week, since there is certain to be much in Republican spending plans that the White House will not like.

The chairman of the House Budget Committee, Representative John R. Kasich of Ohio, and his Senate counterpart, Senator Pete V. Domenici of New Mexico, made that point today. Speaking on the ABC News program "This Week," Mr. Domenici said Mr. Clinton's new budget "took a walk" on cutting the growth of mandatory spending like Medicare, which he said could go broke in six years.

Facing up to the time to practice what is preached.

Mr. Kasich, who appeared on the same program, concurred. "The bottom line is, they refused to deal with entitlements and we are going to have to, if we are going to get to zero over seven years," he said.

At 60 percent of all Federal spending, entitlements — those programs that automatically pay benefits to anyone who qualifies — are the toughest and largest challenges to the Republican budget cutters. They may parcel some entitlements to the states in the form of block grants for welfare, leaving the states to try to run the programs more efficiently.

But the House may also try this year to reorganize Medicare and Medicaid, two of the biggest and most politically sensitive entitlement programs. Representative Bill Archer, the Texas Republican who is chairman of the Ways and Means Committee, which oversees Medicare, has refused to discuss his plans. But Mr. Livingston said in an interview that a health care bill that reworks Medicare should not be ruled out this year.

Mr. Kasich and others talk openly of some sort of plan that either forces wealthy retirees to pay more for Medicare benefits or prods them to buy private insurance. Republicans also talk of moving more retirees into managed-care medical programs, which they say are cheaper to run. But that would limit retirees' choice of doctors, a politically unattractive move, and many experts say the short-term savings would be small.

And the Republicans need big savings here. Medicare premiums now pay less than a third of the program's actual cost of $175 billion a year; the rest comes out of the Government's general fund. Mr. Gingrich has said he wants to cut the annual growth of Medicare to 7 percent from the current 10 percent, saving about $140 billion over five years.

The Republicans are also looking at big cuts in the other large chunk of the budget, the $275 billion a year or so that goes for discretionary spending on such things as roads, education and the environment. They have ruled out further significant cuts in the Pentagon budget, the other major domestic spending program.

Speaking today on the CBS News program "Face the Nation," Mr. Livingston said the House would probably not propose this year to wipe out an entire Cabinet agency or two, as many had suspected. But he forecast vast cuts and the termination of entire spending programs and smaller agencies, well beyond the 138 programs that Mr. Clinton's budget proposes to end, and the one agency — the Interstate Commerce Commission — that he would abolish.

In an interview last week, Mr. Livingston suggested that his committee would take aim first at any program that was not an essential Government function. And while he mentioned some that are beloved by many Democrats — including financing for public television and radio — he said that need, not politics, would be the criterion for judging them.

"Those sorts of programs are just pittances compared to what we have to do across the board," he said. "But if we can't do it to programs that are nice to have, we certainly can't do it to essential functions of Government. So nice-to-haves are as good as gone."

Republicans are also considering some mathematical changes that will make their job easier, including revising the Labor Department's method of measuring inflation, the Consumer Price Index. The index is used as a yardstick for annual cost-of-living increases for many Federal programs, including Social Security, and many economists contend that it overestimates the rise in prices.

Shaving back the index would shave back the growth of all those programs, and while the short-term savings would be small, the saving over a few decades would reach well into billions of dollars.

Big figures, but Republicans say they are starting to become comfortable with them.

"When we did these numbers before," Representative David L. Hobson, an Ohio Republican, said: "Nobody really cared. They knew it wasn't going to be law. Now they're looking at what we're doing."

Washington Talk

N.Y. Times; 2-6-95

Signs of Life From Foes Of Balanced Budget Bill

A14

By ROBIN TONER
Special to The New York Times

WASHINGTON, Feb. 5 — The constitutional amendment to require a balanced budget rolled through the House of Representatives with all the power of a political idea showing 80 percent support in the polls. It was an almost irresistible symbol of the new conservative ascendancy, all the more so because whatever countervailing pressure might have come from the left seemed so utterly overwhelmed.

But now, with more time and more tactical possibilities in the Senate, the opposition may be showing a few signs of life.

The House, on Jan. 26, approved the amendment after a few days of deliberation by a vote of 300 to 132. Cheering it on was a coalition of conservatives, armed with "talking points" from their leadership, happily manning the barricades of talk radio and convinced that they were riding the Zeitgeist. The heated opposition to the amendment that might have been expected never materialized, according to some Democrats on Capitol Hill.

Representative Charles B. Rangel, the liberal Democrat from Harlem, worried that this was part of a broader trend of quiescence on the left. "I keep asking the question, 'What voices do you hear from the good-government community, from the social services community, from the religious community?' " he said.

Representative Charles E. Schumer, Democrat of Brooklyn, said, "I got some calls from senior citizens, but I did not get the organized groundswell we got in the past." Then, talking about the cuts that would come under a balanced budget amendment, he said, "Everyone thinks, 'Oh, it won't be me and my programs.' "

Organizers for some groups said they were simply recognizing political realities and husbanding their resources for the Senate.

"We did some in the House but not a lot," said Gerald McEntee, president of the American Federation of State, County and Municipal Employees, which is helping to lead a coalition of groups opposed to the amendment. "In the House, from the beginning it certainly appeared as if they had the votes to pass this."

These opponents say they are on more hospitable ground in the Senate, where the debate started last Monday and is expected to last for weeks. Their principal asset is Senator Robert C. Byrd, the 77-year-old West Virginia Democrat with a legendary grasp of parliamentary procedure who is adamantly against the balanced budget amendment and committed to ventilating that opposition at length.

"I think the American people are entitled to know what's involved here," Senator Byrd said on Friday. "As far as I'm concerned, we ought to talk awhile."

"Talking awhile" is not an idle threat from the Senator, and opponents hope he can buy them enough time to change the public's attitudes on the issue, or at least some critical segments of voters, like the elderly, who can in turn sway a few crucial members in the Senate. The Achilles' heel identified by the opposition has long been apparent: The American Association of Retired Persons released a poll last week showing that strong majorities of Americans support the idea of a balanced budget amendment, but equally strong majorities say they oppose the idea of cutting Social Security or Medicare to balance the budget.

The poll also found that while support for the amendment was strong among older people, they tended to think that their programs would be immune to cuts. The A.A.R.P. and other opponents of the amendment assert that this is simply not the case; balancing the budget in seven years, they say, could force deep cuts in Social Security and Medicare, which together make up a third of the budget. Or, as a radio advertisement from the association puts it, "It could wreck Social Security, ruin Medicare."

Supporters of the proposed amendment reject this argument as the Democrats resorting to fear tactics.

Within the Senate, the legislative strategy of the opposition, so far, revolves around demands that the amendment explicitly exempt Social Security from any cuts and a requirement that Congress spell out just how it will balance the budget before committing to that goal with this amendment. Having been warned of the risks in a memorandum last month from Frank Luntz, a top pollster for the party, the Republicans are keenly aware of the danger of appearing insensitive to the needs of the elderly.

> 'Talking awhile' in the Senate to slow a new conservative ascendancy.

The task facing the opposition remains daunting, though, because as in the House, Democrats are on both sides of the issue. Moreover, making the case for Government programs, even ones that are demonstrably popular, like Medicare, is not something that the Democratic Party and its allies have found easy to do in recent years. But it is clearly the task they will face, again and again, under the new conservative ascendancy. And in this respect, the struggle now under way in the Senate could foreshadow the next two years.

Mr. McEntee says he expects a very close vote, but believes that time is on the opposition's side — which of course makes Mr. Byrd's assistance all the more valuable. At a meeting last week with the coalition, Mr. McEntee said, the Senator vowed that "he's going to fight as hard as Bobby Byrd can fight — and that's pretty hard."

Wall St. Jrnl.; 2-6-95

Clinton's Game Plan for the Budget: Let GOP Carry the Ball on Cutbacks

By David Wessel
And Jackie Calmes
Staff Reporters of The Wall Street Journal

WASHINGTON – In his first budget, President Clinton tackled the deficit. In his second, he tried to tackle health-care costs. In his third, to be released today, Mr. Clinton is punting.

The president's approach gives Republicans in Congress the budget football. Mr. Clinton is preparing to play defense, hoping the Republican team will fumble.

But Republicans are still in a huddle. The Senate is waiting for the House, which is behind schedule. The House GOP is moving away from a vow to pass spending cuts first and then cut taxes. Working behind closed doors, House Speaker Newt Gingrich and Republican leaders are considering taking a combined spending-cut and tax-cut plan to the House floor in March. Meantime, Republican National Chairman Haley Barbour is a sort of bridge between the sometimes fractious House and Senate Republicans, a role that reflects GOP stakes in this year's budget game.

The White House is chortling over these Republican difficulties. Treasury Secretary Robert Rubin's response to Republican attacks on the new Clinton budget: "So far, their's is just not there."

But it would be a mistake to conclude this inevitably will end as a bitterly partisan year of business as usual in Congress. "When the dust clears, I think we will see a much shrunken federal government," says Allen Schick, a budget scholar at the Brookings Institution and George Mason University. "I don't think Washington knows what hit it yet."

That was driven home last Tuesday at a private meeting of House Ways and Means Committee Republicans. They know they will be asked to cut the popular Medicare program for the elderly and force upper-income elderly to pay more for their insurance. They know Republican leaders are attracted to a proposal to save between $75 billion and $150 billion over five years by adjusting benefits and tax brackets by less than the full increase of the consumer price index, a plan the White House is certain to attack as a cut of Social Security benefits and a tax increase.

Be stoic, Ways and Means Chairman Bill Archer advised. "This is the most important thing any of us will do in our political careers, bar nothing – cutting government and cutting taxes," he said. "And," the Texan added, "I intend to do it if it is the last act of my political career." The implication, according to a witness, was that the risky votes ahead could be the last act for other Republicans as well – but the price is worth paying.

Mr. Clinton's $1.612 trillion budget for fiscal 1996, which begins Oct. 1 of this year, was written to draw applause from middle-class voters. The president offers them tax cuts. He proposes spending more on popular programs, such as crime fighting, which would go up $3.5 billion, or 19%, next year. He proposes spending less on the unpopular federal bureaucracy, particularly for the Energy and Transportation Departments, and fewer strings on federal grants to states.

Republicans are sure to reject most of his spending increases. And they're sure to accept most of his spending cuts. "We may take them all," says House Budget Committee Chairman John Kasich, an Ohio Republican. But some Clinton cuts won't go down well with Republicans. He would, for instance, save $5.2 billion over five years by faster phase-in of a plan to bypass banks and make government loans directly to college students. Republicans question the concept and want to slow the program.

As previously announced, Mr. Clinton proposes to begin adding money to the defense budget – but not until the end of the decade. The president proposes overall defense outlays for fiscal 1996 of $10 billion, or 3.8% less than this year; for the following year, Mr. Clinton forsees another 1.7% decline.

Benefit Programs Left Untouched

But the new Clinton budget is more remarkable for what it doesn't cut: a wide range of federal benefit programs from agriculture subsidies to the Medicare and Medicaid health-care programs to tax breaks derided by his own labor secretary as "corporate welfare." As a result, he makes little further progress in reducing the deficit. Although gradually shrinking as a percentage of the economy, the deficit is projected to remain around $200 billion for the rest of the decade. In fiscal 1997, the White House budget office forecasts, interest on the federal debt will exceed Pentagon spending for the first time in history.

The president's political calculus is obvious: Let Republicans, with their cut-spending rhetoric and enthusiasm for a constitutional amendment to balance the budget, go first and take the blame.

But no matter what the political risks, Republicans cannot spare benefit programs if they are to finance even a scaled-back tax-cut package and take significant steps toward balancing the budget by 2002. "You can't have people who are afraid to break china when you've got to go at this with a sledgehammer," says Rep. Kasich, the House Budget Committee chairman, and at 42 years old the youngest chairman of any congressional committee.

His Senate counterpart, Pete Domenici of New Mexico, sees the possibility of saving $100 billion over five years from the Medicaid health-care program for the poor. How? Accept Republican governors' proposal for block grants for Medicaid that increase at only 5% a year, less than half the 10.8% annual growth rate projected by the Congressional Budget Office. In the House, leaders are talking about saving more than $20 billion over five years from food stamps; the chairman of the agriculture committee, Rep. Pat Roberts of Kansas, says fraud alone costs $4 billion a year.

It's far too early to know how brave the Republicans will really be. Much is made of the militancy of GOP freshmen and their readiness to cut spending. "Some people will lose" in 1996 because they voted to reduce popular programs, says freshman GOP Rep. Sam Brownback of Kansas. "But if we don't do this, we all lose. The atmospherics are so good to make the kind of changes needed."

Mr. Barbour, the Republican chairman, confidently predicts no GOP losses ahead as a consequence of the coming budget votes. "The best politics for our elected officials is to keep our word," he said. "If popular decisions would balance the budget, Congress would've balanced the budget a long time ago."

That sounds tough. But Mr. Roberts figures that 33 of the 73 new Republican members of the House are from farm districts, an obvious obstacle when it comes to trimming farm subsidies. "Mark my words, they are fully appreciative of the role agriculture plays," he says, "You don't want to do anything dumb or stupid so they won't be coming back."

And neither Republicans nor Democrats are rushing to embrace Mr. Clinton's plan to raise a few billion dollars by selling off federal power-marketing authorities like the Western Area Power Administration in Colorado. "I ran on jobs," says GOP Rep. Linda Smith, a privatization fan

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and freshman from Washington state, which benefits from cheap electricity. "You could literally crumble my economy."

Although behind schedule, House leaders still promise a vote on a package of tax cuts and spending cuts before the hundred-day mark, April 13. Then after a three-week break, the House is to formally take up the fiscal 1996 budget and a blueprint for reducing the deficit in the years beyond. In the Senate, where Republicans aren't wedded to Mr. Gingrich's "Contract With America," the budget committee is preparing a five-year budget that cuts taxes and makes a "down payment" on a balanced budget. But it plans to avoid public release of sure-to-be controversial details until May.

Domestic Spending Targeted

For now, both the president and congressional leaders publicly are targeting the 16% of total federal spending that goes for annual domestic appropriations – everything from public television to the president's national service program. This sum, $259.6 billion this year, symbolizes big government spending for the public. But it also includes everything that many voters and politicians want to expand—fighting crime, health research, disaster relief, Mr. Clinton's "investments," Mr. Gingrich's "Third Wave" high-tech infrastructure.

This domestic spending, which doesn't include Social Security, Medicare or other benefit programs, has been rising steadily since Ronald Reagan left town. In the four Bush years, outlays rose about 19% even after adjusting for inflation. Mr. Clinton signed appropriation bills increasing that another 8% in his first two years.

That trend appears to be ending. "With the change in control of the Congress, a lot of the domestic discretionary budget, which went to Democratic strongholds, cities in particular, will be subject to the budget knife as they have not in the past," says John Cogan, a Stanford University economist who worked in the Reagan budget office.

Mr. Clinton has signed bills that increased such spending by $31.2 billion, or 13.7%, over the past two years—well above what was needed to match inflation. For next year, he would increase it $6.2 billion, or 2.4%, less than required to offset inflation. But GOP appropriations committees are being told to look for about $10 billion less than last year.

The president proposes to eliminate 131 small programs and reduce 86 others. He would also consolidate scores of programs in the Public Health Service, Environmental Protection Agency and education and training. Republicans vow to eliminate more, even if that amounts to more symbolism than money-saving. Wisconsin Republican Rep. Steve Gunderson, for instance, heads a group looking at a merger of the Education and Labor departments.

The House Appropriations Committee chairman, Rep. Bob Livingston of Louisiana, said over the weekend that no department will be killed immediately but predicted that at least one will go—perhaps before the 1996 elections.

Simultaneously, Vice President Gore is pursuing the second round of his Reinventing Government effort, a sideshow for the past two years but now the Clinton budget's centerpiece. Mr. Gore has been asked to come up with ideas for fiscal 1997 that would save another $76 billion. Among options under consideration: turning federal prisons over to private management firms and reducing the number of federal employees overseas other than those working for the State Department. Ira Magaziner, who was in charge of the ill-fated health care initiative, is to be involved in this new effort, but his precise role isn't yet clear.

In all, Mr. Clinton's budget would reduce the deficit by $144 billion from projected levels over the next five years. Of that, $101 billion would come from annually appropriated spending; $29 billion from a grab bag that includes extending money-saving changes to Medicare that would otherwise expire and selling off power-marketing authorities; $9 billion from higher fees and tougher efforts to enforce tax laws and $5 billion from the associated savings on debt service.

Overall, the president's budget calls for a 4.8% increase in federal outlays next year to $1.612 trillion and a 5.1% increase in total revenue to $1.416 trillion.

That leaves a deficit of $196.7 billion, or 2.7% of the gross domestic product, down from the deficit of $254.7 billion, or 4% of GDP, that Mr. Clinton inherited. With the president's proposals, the White House budget office forsees a deficit of $194.4 billion in the year 2000, or 2.1% of GDP.

Among the president's economic advisers, only Budget Director Alice Rivlin argued strongly for another serious attack on the deficit; the rest saw little political reward or little economic necessity for doing so.

Budget at a Glance

In billions of dollars of outlays, by fiscal year

	1994	1995	1996	1997
Defense	$281.6	$271.6	$261.4	$257.0
International affairs	17.1	18.7	16.7	16.2
Space, science, technology	16.2	17.0	16.9	16.4
Energy, natural resources, environment	26.3	26.5	26.2	26.2
Agriculture	15.1	14.4	13.6	12.7
Commerce, housing, community development	5.4	0.6	5.2	11.8
Transportation	38.1	39.2	38.6	38.4
Education and training	46.3	56.1	57.2	58.4
Medicare, Medicaid	223.9	242.8	270.6	295.9
Health, income security	241.9	258.1	264.4	276.8
Social Security	319.6	336.1	354.5	373.1
Justice	15.3	17.6	19.7	21.3
Veterans	37.6	38.4	38.1	39.7
General government	11.3	14.5	14.6	14.3
Net interest	203.0	234.2	257.0	270.4
OFFSETTING RECEIPTS	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL OULAYS	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL REVENUE	[illegible]	[illegible]	[illegible]	[illegible]
(DEFICIT)	203.2	182.5	196.7	213.1

Note: 1994 figures are actual; 1995 are estimates and 1996 and 1997 are proposed. Numbers may not add due to rounding

Source: Office of Management and Budget

Wall St. Jrnl.; 2-6-95

Clinton Initiatives Are Targeted by GOP

By CHRISTOPHER GEORGES
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – As congressional Republicans welcome the administration's proposed spending cuts, Mr. Clinton's beloved investments – which opponents call spending increases – provoke a very different response.

"Let's see," says House Appropriations Committee Chairman Robert Livingston (R, La.), examining a list of initiatives the President seeks to fund next year. "He wants major increases in national service . . . technology programs, a holistic program to help children learn. Hmmm. It's safe to say these we can do without."

While Mr. Clinton's budget is heavy on rhetoric about streamlining government, he also seeks $9.7 billion in increases for dozens of investment initiatives over current-year levels.

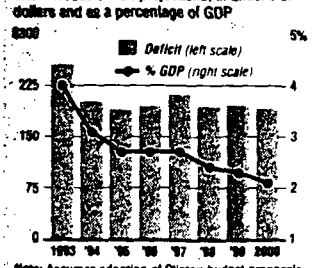
The dim prospects for even that relatively small sum highlight an even larger disappointment for the administration: Its ambitious investment strategy in the span of two years has devolved from a $200 billion, four-year agenda to largely symbolic proposals a fraction of that size.

And while the administration has boosted funds for an array of new programs in areas such as job training and technology, the gains in some cases are only modestly larger, and in sometimes smaller, than those won by the Bush administration in similar initiatives in the early 1990s.

Regardless of the spending ambitions of a president – Democrat or Republican – the tight contraints of the federal budget make any large-scale shifting of federal spending nearly impossible, budget experts say. For instance, Mr. Clinton in his first two years persuaded Congress to increase spending on his investments by a grand total of $14 billion, less than one-half of one percent of total federal outlays, the White House budget office says. The tally doesn't count the cost of expanded tax credits for the working poor or tax breaks for "empowerment zones."

Still Untamed

White House deficit projections, in billions of dollars and as a percentage of GDP



Note: Assumes adoption of Clinton budget proposals. Figures for 1995-2000 are projections.

The overall Clinton increase closely mirrors gains in new investments relative to total spending won by Mr. Bush.

"The increase in genuine public investment has been less than I hoped. It's less than the President and his campaign hoped. And it will get worse," says the Progressive Policy Institute's Robert Shapiro, a Clinton campaign aide.

The investment-spending increases proposed in this year's budget include:

Education: Hundreds of millions of dollars in new spending for programs such as Head Start preschool education, the Women Infants and Children nutritional program and national service – including a more than doubling of the size of President Clinton's treasured AmeriCorps program.

Technology: New funding for projects such as the Advanced Technology Program – aimed at helping commercial firms conduct research in computers, telecommunications tools and robotics – and for National Science Foundation basic research grants. Also, $159 million to start work on a single-stage, reusable space vehicle to replace the shuttle. That figure would grow to $1.6 billion by 2001.

Anticrime programs: New funding for states and localities to hire more police, establish boot camps for young offenders and create more prison space, prevention programs and drug-treatment programs.

These initiatives, the administration says, are investments: programs expected to pay dividends in the future by making Americans smarter and more productive.

To others, Republicans in particular, most are no more than spending increases the nation could do without. "We are not singing off the same sheet," says Illinois Republican Rep. John Porter, a member of the House Appropriations Committee. "Republicans want to balance the budget, the president does not."

Already GOP leaders have said they seek to eliminate or reduce funds for many Clinton initiatives. "The fight will be not only over increases, but preservation," says White House senior economic aide Gene Sperling.

All this is a long way from candidate Clinton's plan to reshape federal spending by investing more than $50 billion a year in "smart highways," high-speed rail, advanced recycling technology and the like.

Soon after taking office, faced with the realities of a tight federal budget and a Congress with its own ideas, Mr. Clinton was forced to scale back his approach to what White House aides now call the "incremental strategy." "It was matter of simple math," says Labor Secretary Robert Reich, who during the campaign was a key architect of the investment plan. "We were constrained by the debt."

Even some of Mr. Clinton's most highly touted increases are in line with those secured by the Republican Bush administration. Under Mr. Clinton, Head Start has increased by $804 million, or 31%, over the past two years, while under Mr. Bush it rose by $600 million, or 30%, between fiscal years 1991 and 1993. And under Mr. Clinton, Job Corps has risen by $92 million, or 10%, while under Mr. Bush it rose $130 million, or 16%.

Tax Cuts Have 5-Year Cost of $62.7 Billion

By LUCINDA HARPER
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – President Clinton's budget proposes middle-class tax cuts with a five-year cost of $62.7 billion.

It also asks Congress to create two new "empowerment zones" for economically depressed areas and to halve an excise tax on vaccines.

Crackdown on Abuses

Mr. Clinton is deliberately avoiding almost anything that could be called a tax increase. The budget does propose new fees and a crackdown on abuses of the earned-income tax credit for the working poor; these are projected to raise $9 billion over five years. Among these is a compliance rule, on which officials have provided no details, that is expected to bring in about $2 billion over five years.

The middle-class tax breaks, which are unlikely to be enacted by Congress in the form that the president suggests, would be phased in more quickly than envisioned when Mr. Clinton announced them last year. That decision was made after deficit projections proved slightly more optimistic than expected. Phasing in the tax breaks lowers the cost in the important five-year window in which budget calculations are made.

Here is a summary of the tax changes:

- A tax credit for families with adjusted gross income up to $60,000 to begin at $300 per child under age 13 in 1996 and increase to $500 in 1999. Families with income up to $75,000 would qualify for smaller credits. Families that don't pay any federal income tax – generally those with incomes below $20,000 – wouldn't get any tax break. Cost: $35.4 billion over five years.
- A tax deduction for tuition paid for postsecondary education, leading to a degree or certificate, of up to $5,000 for married couples beginning in 1996 and increasing to $10,000 in 1999; individuals could deduct half that amount. The full deduction would go to families with incomes under $100,000, and smaller deductions would be allowed those with incomes up to $120,000. Cost: $23.5 billion over five years.
- A new individual retirement account, for which contributions wouldn't be deductible but from which tax-free withdrawals could be made of money left for five years or longer. The plan would be offered to couples with incomes up to $80,000; lesser benefits would go to those with incomes up to $100,000. For individuals, the full benefits would go to people with incomes under $50,000, less to those with incomes up to $70,000. Penalty-free withdrawals would be allowed from all IRAs to pay for higher education, major medical costs, a first-time home purchase, care for a sick parent or long periods of unemployment. Cost: $3.8 billion over five years.
- Denying the earned-income tax credit to families with earned income and dividend income above $2,500. "The thought is that these people have liquid assets they can use in tough times," said an administration official. And deny the tax credit to undocumented workers by requiring any recipient to provide a valid Social Security number. Revenue raised: $3.3 billion.
- Create two more empowerment zones that offer tax credits and grants to revitalize blighted urban and rural areas. One empowerment zone is expected to go to Los Angeles, which was not awarded one of six given in December, despite the area's long recession, earthquakes, riots and floods. There are now 10 such zones. Cost: $700 million over five years.

Tax Extension

- Reduce the excise tax on vaccines, including those on diphtheria, whooping cough, tetanus, measles, mumps and rubella by about 50%. Cost: $300 million over five years. These taxes are supposed to go to compensate individuals who are injured or die as a result of vaccines. The administration says that there is now enough money in the vaccine trust fund to allow a cut in the tax.

Administration officials also said the Superfund corporate environmental tax will be extended, raising $2.4 billion.

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The Impact on Key Agencies

PRESIDENT CLINTON'S FISCAL 1996 BUDGET avoids any politically dangerous tax increases or cuts in benefit programs and offers no new clues to the president's views on reshaping the health or welfare systems. Instead, it concentrates on streamlining the federal government.

The president would save $23 billion from projected spending by "reinventing" the departments of energy, housing and transportation and two other agencies, eliminating 131 programs and reducing spending on 86 over the next five years. He wants to reduce the federal civilian work force to 1,981,900 by the end of fiscal 1996, down 173,000 from when he took office.

Mr. Clinton proposes to spend less than allowed by the spending caps written into law back in 1993 and extend those caps on spending for another two years through fiscal 2000. In all, the president proposes to increase federal outlays by 4.8% to $1.612 trillion and to increase receipts by 5.1% to $1.416 trillion.

Here's a closer look:

HEALTH & HUMAN SERVICES

THE PRESIDENT seeks $22.4 billion for the department's Public Health Service, a 3.4% increase from the current year. Spending for research on breast cancer, genetics and AIDS is slated to rise.

In addition, the budget would consolidate 108 health-service grant programs into 16, at a proposed level of $4.2 billion, in an attempt to increase efficiency and flexibility.

The Head Start program, a childhood education program for disadvantaged preschoolers, would get higher funding. The budget also earmarks additional funds for vaccine purchases.

Growth in the nation's two big health-benefit programs, Medicare and Medicaid, would slow somewhat from previous years, according to the president's projections. The price tags for Medicare, which provides care to the elderly, and Medicaid, which is for the poor, are expected to total $271 billion. The administration foresees annual growth of 9.1% in Medicare outlays and 9.3% in Medicaid outlays over the next five years; the Congressional Budget Office puts the rate somewhat higher. The administration isn't proposing changes to the programs.

Wash. Post; 2-4-95 p. 1

New Budget To Continue U.S. Deficits

Clinton Proposal Due Monday Produced Amid Staff Doubts

By Ann Devroy and Clay Chandler
Washington Post Staff Writers

The $1.6 trillion budget President Clinton will formally propose Monday is the product of an interagency debate that left some administration officials doubting the president's commitment to his campaign vow to halve the deficit by 1996.

As described by White House officials yesterday, Clinton's 1996 budget projects government spending will exceed revenues by $196.7 billion next year, an increase from the $192.5 billion the administration's deficit projection for this year.

And while congressional Republicans are claiming they can balance the budget by 2002, the Clinton budget projects continued deficits of about $200 billion for each year until then.

The proposed budget contains $140 billion in spending cuts over five years, with $60 billion of that going to pay for tax cuts for middle-income Americans that Clinton proposed last month. An additional $80 billion cut will come from freezes or reductions in some domestic programs, from abolishing 130 small programs and agencies and combining activities of others, officials said.

But the programs that account for the largest share of government spending—entitlement programs such as Social Security, Medicare and Medicaid—are protected in the Clinton budget. The document proposes no tax increases. The tax breaks favoring the middle class, such as mortgage deductions, as well as many breaks benefiting corporations, mostly survive.

Congressional Republican leaders yesterday criticized Clinton for failing to do more to reduce the deficit. But they emphasized they would not dismiss the president's budget proposal out of hand—it would not be "dead on arrival."

"The administration does not believe in balancing the budget, that's obvious," said House Budget Committee Chairman John R. Kasich (R-Ohio). "Obviously I'm disappointed that these deficit numbers are at sky-high levels. But we'll look at what he has proposed and build on that."

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THE GREEN SHEET

THE GREEN SHEET, a compilation of news about the U.S. Department of Health and Human Services, is published by the Office of the Assistant Secretary for public Affairs, on weekdays, except of holidays. Articles selected do not necessarily represent the views of the Department. Prior written permission to copy any articles contained herein should be obtained from the original publication.

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House Appropriations Committee Chairman Bob Livingston (R-La.) said, "The president says he doesn't want to balance the budget. We think the American people want to. We have an obligation to do what he doesn't want to do and we'll do it."

Senate Budget Committee Chairman Pete V. Domenici (R-N.M.) said he was skeptical of the administration's long-term deficit projections, including the $196 billion figure for the year 2002. "My best guess for the American people is that the $196 billion deficit will go skyrocketing up in the next seven, eight, nine or 10 years. It will be back up to $350 billion, $400 billion, $450 billion."

According to sources, the budget also contains two other potential problems: Its deficit projection for 10 years from now is $100 billion less than the $421 billion in 2005 the Congressional Budget Office is projecting. To maintain credibility, the White House pledged from the outset it would adopt CBO deficit estimates if they were more conservative. In this budget for the long term, an opposite policy was adopted.

The administration's budget "should be a source of shame," declared a disgruntled official who participated in this year's budget process. In a memo to The Washington Post, the official lamented that the White House had avoided addressing the problem of soaring spending for entitlements "for political reasons," and had instead offered a tax cut "few were defending on anything but political grounds." The administration's proposal, the official said, "marginalized the investment budget" on which Clinton ran in 1992.

But administration officials said yesterday Clinton's decisions on the budget package were not a political calculation but commitment. "He does not want to cut Social Security. He does not want to cut Medicare. He wants a tax cut for the middle class. The budget reflects all that."



SEN. PETE V. DOMENICI
. . . skeptical of deficit projections

Internal critics charge the president foreclosed any possibility of bold action to reduce the deficit with his hasty disavowal last October of a memo written by his budget director, Alice Rivlin. That memo outlined options for slashing the deficit and suggested cuts in politically sensitive items such as Social Security.

In formulating his budget, Clinton and his White House team turned aside an argument by Rivlin, who urged in meetings and memos that to maintain his credibility, Clinton was obliged to produce a budget showing the deficit shrinking steadily through the year 2000.

But Rivlin waged that battle virtually alone. Documents she prepared for budget meetings continued to list options for significant deficit reduction. But Clinton's comments and questions in those meetings led many members of his economic team to conclude extensive discussion of the matter was futile. The president, it seemed, was focused on cutting taxes. Clinton's primary concern, several of those who attended the meetings recall, was how to assemble a package of tax cuts with broader appeal than those offered by the Republicans and present that package to voters quickly.

The question of deficit reduction, and how much should be proposed, did not get a full hearing until a Cabinet meeting one week before the Dec. 15 speech in which Clinton unveiled his "Middle Class Bill of Rights."

At the session, Rivlin, brandishing a two-page memo, stated the case for further deficit reduction. She argued a tax cut would undo some of the achievement of the administration's 1993 budget deal in bringing down the deficit, and would leave Clinton short of realizing his campaign promise to cut the deficit in half in his first term. In addition, she argued, with the economy booming, timing for deficit reduction could not be better.

Council of Economic Advisers Chairman Laura D'Andrea Tyson took up the opposing view in meetings, arguing there was no need to cut the deficit so severely. Rather, she said, Clinton need only be able to show the deficit declining as a percentage of total economic output, rather than in absolute terms, as Rivlin proposed. Moreover, she said, there was no particular advantage to showing smaller deficits in the next two or three years as long as Clinton could point to a general downward trend over the next five to seven years.

Tyson feared any reduction in government spending would drag down growth of the economy in 1996, just as Clinton would be battling for reelection. Although Wall Street had rewarded him with a brief period of lower interest rates after approval of the 1993 package, she warned, this time around Clinton might not be so lucky. Investors might chose to ignore the package, she worried, taking the view that Republicans in Congress now controlled the budget process.

Not one of the economic advisers who had lobbied for deficit reduction in the administration's first year rallied to Rivlin's defense, sources said. Lloyd Bentsen, departing as treasury secretary, had soured on the idea; in his judgment, the administration had received almost no credit for its previous efforts at deficit reduction. And he was urging Clinton to call for tax cuts, including a proposal to widen Individual Retirement Accounts, an idea he had long championed in the Senate..

Chief of Staff Leon E. Panetta spoke of the importance of keeping the deficit on a downward path, but echoed Bentsen's view that such an effort would win few political points. Treasury Secretary Robert E. Rubin, following conversations with investment banking acquaintances on Wall Street, concurred with Tyson's assessment that further deficit reduction would have little payoff in the form of lower interest rates. Even to maintain the deficit reduction the White House will propose Monday was a major struggle, officials said. The agency cuts made under the umbrella of Vice President Gore's reinventing government initiative totaled $19.5 billion. The departments of Energy, Transportation and Housing and Urban Development, the Office of Personnel Management and the General Services Administration consolidated programs and proposed others for transfer to the states or to the private sector.

Although the savings will be listed in the budget, agency officials continue to sort out how they will pare back their operations. Cabinet departments and agencies, for example, have been told to plan for a 3 percent cut in this fiscal 1996 budget and then absorb 2 percent reductions in each of the next three fiscal years. The budget also consolidates 271 programs into 27 "partnerships," providing them with broader flexibility but little in savings.

The president's budget also includes a pay raise of 2.4 percent for civil service employees and military personnel. Although Clinton is proposing a higher raise than he did last year for federal workers, the pay proposal, which would take effect in January 1996, falls short of what federal pay law requires. The Federal Salary Council, for example, recommended a 1996 pay raise of 5.94 percent.

Some programs will get increases in the Clinton plan. Spending to combat AIDS, the Head Start program, research at the National Institutes of Health, the National Service program and anticrime programs will all increase.

Staff writers Stephen Barr and Eric Pianin contributed to this report.

N.Y. Times, 2-5-95

Clinton Decides to Control, but Not Cut, the Deficit

By ROBERT PEAR A24
Special to The New York Times

WASHINGTON, Feb. 4 — In drafting the budget proposal he plans to send to Congress on Monday, President Clinton seriously considered more aggressive efforts to make deep reductions in the budget deficit. Instead, a variety of political reasons led him to settle for keeping the deficit near its current level, Administration officials said today.

The President's budget calls for spending $1.6 trillion in the 1996 fiscal year, which begins in October. It shows a deficit of $196.7 billion in 1996, up slightly from the $192.5 billion projected for this year.

One of Mr. Clinton's proudest boasts is that in 1993 he persuaded Congress to adopt a budget plan that saves at least $505 billion over five years. He describes it as "the largest deficit reduction package in history." As a result of that plan, he says, the deficit dropped sharply, and "the economy has improved far more than even the most optimistic forecasters predicted."

By contrast, Mr. Clinton says his new budget would save $81 billion over five years, and the decline in the deficit would stop. His strategy is to control the deficit, but not to reduce it further.

For friends and foes, who say that Mr. Clinton had the political courage to propose tough cuts in the deficit two years ago, the apparent decline in his interest at a time when deficit-cutting is more in vogue on Capitol Hill could seem puzzling.

The President decided on that strategy in December. Alice M. Rivlin, the director of the Office of Management and Budget, was virtually alone in advocating more aggressive efforts to reduce the deficit, Administration officials said. She received occasional support from Leon E. Panetta, the former budget director who is now White House chief of staff, they said.

"There were discussions about whether we should do more to reduce the deficit," said a White House official who participated in those discussions. "Except for Alice and occasionally Leon, no one thought we should do more."

The President's conclusion was based, in part, on a political judgment "People don't care about deficit reduction," said a White House official. "We did that in the first two years. Look where it got us. We lost the House and the Senate."

Mr. Clinton's decision was also based on tactical considerations. He

> The President may be able to both have his cake and eat it.

and his advisers feared that if they proposed a major new effort to drive down the deficit, they would inadvertently help the new Republican majority in Congress.

"If the Republicans want to do more deficit reduction, let them come forward with their own ideas," a White House official said. "Why make it easy for them? In the current political environment, we don't have control. The Republicans could take our proposed savings and use them for the tax cuts in the Contract With America."

The political risk, of course, is that the President's old deficit fighting notwithstanding, his new, more cautious approach could allow Republicans to cast him as a defender of the status quo on the deficit. And both Republicans and conservative Democrats have reacted to news of his budget plans by criticizing him for cutting too little.

The Administration has other strategies in mind as well. The President has denounced the Republican tax proposals on the ground that they would cost too much, nearly $200 billion over five years, and would shower the greatest benefits on the richest people. (Mr. Clinton says his own tax proposals would mainly help the middle class and cost $63 billion over five years.)

The Administration also makes an economic argument to justify its approach: the dollar amount of the deficit is said to be less important than the size of the deficit in relation to the economy as a whole. Under the President's budget, the deficit would be stable, but the economy would continue to grow. So according to his projections, the deficit, now equivalent to 2.7 percent of the gross domestic product, would decline to 2.1 percent in the year 2000, "its lowest level since 1979."

Democrats in Congress say that argument may have merit as economic analysis but is useless as a political response to voters and lawmakers demanding a balanced budget.

"Clinton's argument that the deficit-to-G.D.P. ratio is declining, that's just a bunch of words that most Americans don't relate to very well," said a longtime Democratic aide on Capitol Hill. "He may be right, but he will not score any political points unless he can explain his position in a way that people understand."

Gene Sperling, an aide to the President, said Mr. Clinton's budget showed that he was willing to make the "hard specific choices" needed to keep the deficit under control.

But members of Congress, who are debating a constitutional amendment to require a balanced budget, want more.

Senator Pete V. Domenici, the New Mexico Republican who is chairman of the Senate Budget Committee, said the spending cuts proposed by Mr. Clinton were insufficient. Representative John R. Kasich, the Ohio Republican who is chairman of the House Budget Committee, said it was now obvious that "the Administration does not believe in balancing the budget." Representative Martin O. Sabo of Minnesota, the ranking Democrat on the panel, said he would have preferred more deficit reduction and has told colleagues that he will not be a cheerleader for the President's budget.

Martha H. Phillips, executive director of the Concord Coalition, a bipartisan organization that lobbies for a balanced budget, said Mr. Clinton was sending a signal that "$200 billion is about the right level for the deficit."

And Representative Gene Taylor, a conservative Democrat from Mississippi, said the Clinton package was "an insult to all those people who walked the plank and lost their jobs supporting his budget two years ago."

But Robert D. Reischauer, director of the Congressional Budget Office, said Mr. Clinton's political judgment might ultimately prove to be correct.

"If the deficit goes down in the next couple of years and it's done as a result of actions by the Republican Congress, the President will still get some credit," said Mr. Reischauer. "He signs the appropriations bills. If he's running for re-election, he can go to the American people as a co-author of deficit reduction."

Budget documents show that the President carefully balanced fiscal and political concerns on other issues as well:

¶A business tax credit for research and experimentation would be allowed to expire on June 30. In the 1992 campaign, Mr. Clinton supported the credit as a way to stimulate research investments by high technology companies. In his budget, he does not formally propose extending the tax credit. But he says he may support it if Congress can find a way to pay the cost, estimated at $10 billion over five years.

> The White House does not want to inadvertently help the Republicans.

¶In keeping with his campaign pledge, Mr. Clinton would increase Federal spending on AIDS programs. The total would rise 7 percent, to $2.9 billion. That includes $1.4 billion for research financed by the National Institutes of Health and $724 million for community health care services.

¶Mr. Clinton'et avoids large cuts in farm programs, protects spending for rural electric cooperatives and seeks an increase in rural development programs run by the Agriculture Department.

For Head Start, which provides a wide range of services to preschool children, Mr. Clinton will seek $3.9 billion, an increase of $400 million over this year's level

Wash. Post; 2-4-95

Balanced Budget Amendment Losing Democrats, GOP Senators Say

A+

By Helen Dewar and Eric Pianin
Washington Post Staff Writers

Key Senate Republicans said yesterday that support for a constitutional amendment to balance the budget is eroding among Democrats and conceded that it probably has no better than a 50-50 chance of passage.

Sen. Bob Packwood (R-Ore.), chairman of the Finance Committee, told an audience yesterday, "Unfortunately, I don't think we are going to succeed. I think the Democrats are going to succeed in killing it in the Senate."

Only a week after the House overwhelmingly approved the amendment, the Republicans' leading campaign promise, the measure has encountered formidable resistance from Senate Democrats and outside groups that have linked it to the politically volatile issue of Social Security.

Democrats also have put Republicans on the defensive by repeatedly challenging them to spell out in detail the more than $1.3 trillion of spending cuts that would be required to balance the budget by the amendment's target year, 2002.

"I'm really concerned," said Sen. Don Nickles (R-Okla.). "A couple of weeks ago, I'd have said the Democrats were just playing games. Now I'm worried."

By the end of the week, at least three uncommitted Democrats had announced they would oppose the amendment unless it were altered to guarantee against cuts in Social Security to achieve a balanced budget. Republican and Democratic proponents say they are two to three votes short of the 67 needed to pass the constitutional amendment.

GOP leaders had always assumed that the vote would be close in the Senate, but seemed taken aback by the intensity of Democratic resistance. House Speaker Newt Gingrich (R-Ga.) also has indicated concern. "We need your help on the balanced budget amendment, which I think is in serious difficulty," Gingrich said in a speech Wednesday night.



BY RAY LUSTIG—THE WASHINGTON POST

Sen. Thomas A. Daschle (S.D.) uses chart to press Democrats' case that GOP should spell out specific budget cuts.

Senate Democrats, wary that the constitutional amendment would bind Congress in times of economic difficulty and force Draconian cuts in Social Security and other domestic programs, have waged a vigorous campaign against the measure.

On one track, Sen. Robert C. Byrd (W.Va.), a strict constitutional constructionist, and about a half dozen other mostly liberal Democrats including Christopher J. Dodd (Conn.), Paul S. Sarbanes (Md.) and Carl M. Levin (Mich.) are leading the floor fight and have threatened to filibuster. Byrd told reporters yesterday that while "I don't intend to engage in any dilatory tactics . . . I think I have a responsibility to know what's in that package and how it will affect the elderly, the young, national defense."

On a separate track, Senate Minority Leader Thomas A. Daschle (S.D.) and other Democrats are pressing Republicans to adopt what they describe as a "Right to Know" act that would force the GOP leadership to detail its plan for eliminating the deficit before the constitutional amendment is approved and sent to the states for ratification.

Although Daschle and his lieutenants have stopped short of threatening to vote against the amendment unless they have their way, their daily campaign has been effective in riling the Republicans and raising doubts about the wisdom of the amendment.

"Americans have the right to know whether we are about to take another riverboat gamble with their nation's economy" as they did under President Ronald Reagan in the early 1980s, Daschle said yesterday.

Meanwhile, more than 200 labor, senior citizens, veterans, welfare rights and other groups are mounting a grass-roots campaign to apply pressure to the 16 or so Democrats and Republicans who remain undeclared.

"Our major argument is that any way you want to slice it, there are going to be devastating cuts in programs for state and local governments if this thing passes," said Charles M. Loveless, legislative director of the American Federation of State, County and Municipal Employees.

John Rother, legislative director of the American Association of Retired Persons, said the amendment's prospects for passage have declined sharply in the past week. "The longer the debate goes, the more it favors the opposition because I think more people start to figure out the impact . . . of it rather than just the general idea."

Republicans signaled their concern by warning that Democrats will be solely responsible if the amendment dies and by ratcheting up their attacks on the Social Security proposal and the Democrats' "Right to Know" proposal.

To counter, Senate Majority Leader Robert J. Dole (R-Kan.) offered a "Need to Lead" alternative that would require the president to submit the same kind of detailed list of spending cuts if the balanced budget amendment is not approved by May 1.

Majority Whip Trent Lott (R-Miss.) assailed both Democratic proposals as "red herrings" to divert attention from the amendment. "Democrats are just trying to score some points and scare people," he said.

Although Democrats failed in attempts to use Social Security as an issue against Republicans last fall, it had been used by them in earlier campaigns, contributing to GOP congressional losses during the 1980s.

Social Security was one of several exceptions in an alternative amendment presented last year by Sen. Harry M. Reid (D-Nev.), who Thursday joined Sens. Dianne Feinstein (Calif.) and Barbara A. Mikulski (Md.) in saying they will vote against the amendment unless Social Security is put off-limits for cuts. Several other Democrats have said they may do the same.

Reid's proposal was instrumental in defeating the 1994 amendment because, even though it failed, it offered political cover to many Democrats who then felt comfortable in voting against the main balanced budget amendment.

Sen. Larry Craig (R-Idaho), a floor manager for the bill, said yesterday that 52 Republicans, or all except Mark O. Hatfield (Ore.), have indicated they will vote for the amendment this year, along with 13 to 17 Democrats. With 13 Democrats, the amendment would fail by two votes; with 17, it would pass with two votes to spare.

Balt. Sun, 2-5-95 p. 1

Republicans line up to slash budget

GOP will let Clinton share the heat

By Karen Hosler
Washington Bureau of The Sun

NEWS ANALYSIS

WASHINGTON — President Clinton will send his $1.6 trillion budget tomorrow to a Republican-controlled Congress that is really interested only in what he proposes to cut.

Republican leaders, now driving the budget process for the first time in two generations, are determined to use it to make good on their promises in the "Contract With America" to shrink government and cut taxes.

Their crusade presents them with the enormous challenge of developing a plan for curbing federal spending by as much as $700 billion over the next five years.

That's how much the Republicans think it may cost to reach their goal of a balanced budget by 2002, while delivering the $200 billion in tax cuts they have promised.

> *"If the president isn't talking about the elimination of agencies, he's not going far enough."*
>
> **REP. ROBERT LIVINGSTON**

Every program except Social Security is on the table. Not even the Pentagon, long a Republican priority, is likely to escape the budget knife.

Thus, the Republicans say they are eager to adopt almost any ideas Mr. Clinton offers to save money.

They'd be delighted to have the Democratic president take some of the political heat for proposing to wipe out popular programs that the Republicans also want to cut.

"We need to be in this together," said Rep. Bill Archer, a Texas Republican who chairs the House Ways and Means Committee, which is developing a plan for slashing away at federal welfare programs that used to grow automatically each year.

"We have a tremendous task ahead of us," he said.

But if Mr. Clinton offers any new spending proposals or fails to cut domestic social programs deeply enough, he will likely draw the same chilly reception that the budget proposals of Republican presidents got from Congress when the Democrats were in charge.

They will be termed "dead on arrival" and remembered only as political statements of the president's priorities.

"If the president isn't talking about the elimination of agencies, he's not going far enough," said Rep. Robert L. Livingston Jr. of Louisiana, chairman of the House Appropriations committee, which votes line by line on almost every item in the budget.

In fact, the budget process this year seems almost the reverse of what President Ronald Reagan faced when he tried to cut taxes and build up defense by trimming domestic social spending during the early 1980s.

Democrats, who then controlled the House, put the highest priority on protecting social spending.

The two sides spent on everything while cutting taxes, speeding the nation to its $5 trillion debt.

Mr. Clinton's only real chance for influence this year is to help provide the Republicans with a blueprint for wiping out that debt.

"It's a start," Rep. John R. Kasich, the House Budget Committee chairman and a central force in the Republican drive for a balanced budget, said of Mr. Clinton's plan.

"But if Evel Knievel were following [the president's] glide path, he'd crash into the Grand Canyon."

Mr. Clinton is expected to detail tomorrow about $144 billion in budget savings over the next five years, more than twice the cost of his own middle-class tax-cut proposal of $63 billion. Vice President Al Gore is expected to recommend additional savings this spring as part his "reinventing government" crusade.

White House officials acknowledge that the administration won't come close to the GOP zeal for belt-tightening.

Even among Republicans, few can keep up with Mr. Kasich, a 42-year-old dynamo who races through daily rounds of negotiating sessions, trying to persuade his newly empowered colleagues to join him in what is inherently a painful task.

Mr. Kasich is meeting with Republicans in Congress as well as governors in hopes of striking as many deals as he can to curb spending.

His mission is privately dismissed by White House officials as impossible: to produce before the 100-day contract deadline in mid-April a $200 billion package of spending cuts to offset the GOP tax cuts; followed a month later by a five-year plan for additional cuts of $400 billion to $500 billion that would lead to a balanced budget by 2002.

Robert D. Reischauer, director of the Congressional Budget Office, put some perspective on the task last week. Federal revenue, he said, is projected to reach $1.88 trillion by 2002. Federal spending this year totals $1.53 trillion.

If a balance is to be achieved, spending for inflation or any cost increases could rise by no more than $349 billion over the next seven years. The Republicans' proposed tax cuts, which would cost $200 billion over five years, would themselves eat up most of that.

Meanwhile, the cost of Social Security, which the Republicans have promised not to touch, will grow by $148 billion by 2002. Debt payments, which must be paid, will cost $50 billion more in that period.

Thus, nearly every other category of spending — from welfare to Medicare to highways to the environment to the military — must be frozen or cut, Mr. Reischauer said.

Sen. Robert C. Byrd, the West Virginia Democrat who is fighting the proposed balanced budget amendment, warns that those cuts could range from 20 percent to 30 percent.

Not surprisingly, Mr. Kasich has run into resistance.

One colleague said Mr. Kasich had described the mood of House Republicans this way: "I've got 100 guys who are ready to throw Grandma from the train, and 130 who say they like being in the majority, like being committee chairmen, want to be re-elected and aren't so sure about some of the program cuts."

Mr. Kasich neither confirmed nor denied making that remark, but he acknowledged a "culture clash" between the gung-ho Republican freshmen and some of the more senior members of his party.

His original timetable, under which Mr. Kasich hoped to unveil the first $200 billion installment of spending cuts by the end of January and the larger budget plan by mid-April, has already slipped.

"I'm not depressed, though," Mr. Kasich asserted. "We're all one big team now. We'll get it done."

The major roadblock Mr. Kasich encountered was Mr. Livingston, the soft-spoken Appropriations Committee chairman, who objected that the Budget Committee chairman was pushing too far into his turf.

Under the 1974 law that created the current budget process, Mr. Kasich's committee was empowered only to set nonbinding spending levels for broad budget categories.

This year, Mr. Kasich wanted to dictate exactly what programs to cut.

When Mr. Livingston objected, House Speaker Newt Gingrich decided the squabble in his favor.

But the Appropriations Committee chairman, who brought a machete, a Bowie knife and a scalpel for skinning alligators to his first committee session, insists he is no less committed than Mr. Kasich to reaching the bottom line.

"I'm absolutely convinced the 'Contract with America' is the only reason we are in the majority, and the No. 1 item in the contract is the balanced budget amendment," Mr. Livingston said.

"I also believe it's something we have to do anyway, if we don't want to end up in the kind of fiscal crisis now being suffered by Mexico."

In the Senate, the Budget Committee chairman, Pete V. Domenici, a New Mexico Republican, is working on his own blueprint for cutting spending by up to $400 billion over five years, including the elimination of at least 100 federal programs.

But even the senators are hanging back to monitor the progress of Mr. Kasich, who must overcome the pleadings of special-interest groups that want to be spared from the budget ax.

The Ohio Republican asserts that the great majority of Americans are with him.

After conducting hearings at which taxpayers volunteered cuts in federal programs from which they personally benefit, Mr. Kasich snapped at Mr. Reischauer's use of the term "only" to describe a budget deficit in the range of $200 billion.

"You need to get outside the Beltway, man," he declared.

Wash. Post; 2-5-95

The Cato Institute's Prescription to Prune

Libertarian Think Tank Gives Lawmakers 358 Pages Toward a Much Smaller Government

By Dan Balz
Washington Post Staff Writer

Forget the flurry over these first 100 days of the 104th Congress and the Republican "Contract With America." The Cato Institute has much bigger things in mind.

The libertarian-leaning think tank, where the philosophy is the less government the better, has produced a detailed blueprint for the new Congress that goes well beyond what the Republicans are contemplating. If enacted even in part, it could radically transform the role of the federal government in American life.

In a new "handbook" for Congress, which will be released today, Cato's authors outline a soup-to-nuts agenda to reduce spending, kill programs, terminate whole agencies and dramatically restrict the power of the federal government. Much of what they have to say will be controversial with both Republicans and Democrats.

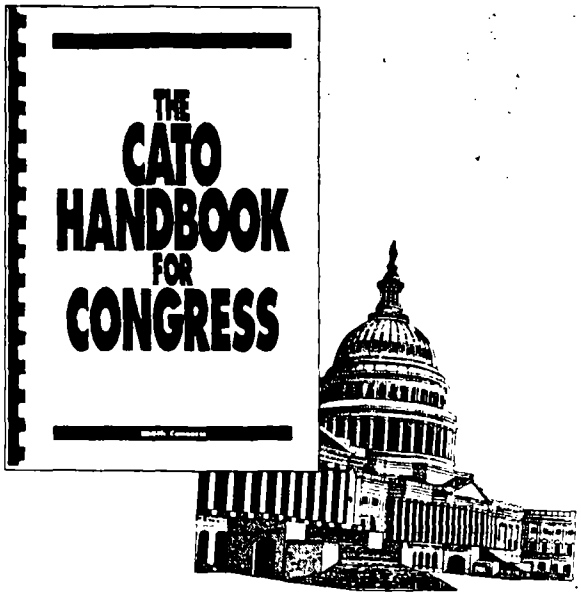
Cato's authors say it is time to cut spending across the board, slash the defense budget, replace the income tax with a national sales tax, raise the Social Security retirement age to 70 and allow workers under age 50 to opt out of the system, and abolish a whole series of environmental laws and regulations, from Superfund to the clean air and water acts.

The 358-page handbook argues that over the past half-century, the federal government has amassed power far beyond anything imagined by the Founding Fathers, but that the 1994 elections now make it possible to reverse those trends.

"We believe that on Nov. 8, 1994, the American people finally concluded that the experiment in big government was a failure," the handbook states, and that those elections helped to explode "the myth of the omnipotent state."

As a result, Cato's authors issue a challenge to the new Republican majority to think boldly and not to let this opportunity for dramatic restructuring slip away.

"If the new Republican majority . . . merely tinkers with marginal reforms, leaving the vast bulk of the welfare-regulatory state in place, it is likely to be run out of town in short order, with little concern for partisan sentiments," Cato president Edward H. Crane and David Boaz, Cato executive vice president, assert in the opening chapter.



Crane, in a pre-publication interview, described the handbook as "a substantive program" for the 104th Congress that "captures the mood of the country right now."

Crane also made clear that publication of the handbook for Congress is an effort to increase Cato's influence on Capitol Hill, particularly among the 73 freshmen Republicans in the House.

"This document is much more in sync with younger members," he said. "A lot of the senior members just don't get it at this point."

The handbook's 39 chapters cover subjects from constitutional powers and the federal budget to agriculture policy and telecommunications.

Among its recommendations:

■ **FISCAL POLICY:** With Congress debating the balanced budget amendment, Cato's handbook recommends that the first step toward reducing the deficit should be to cut spending 5 percent across the board—except for Social Security—beginning with the second half of this year and running through fiscal 1996. After that, Congress should freeze spending at 1996 levels through fiscal 2000.

Cato recommends cutting 100 programs or agencies and selling off $100 billion worth of federal lands. Recommended program cuts include agriculture crop subsidies, food stamps, Head Start, elementary and secondary education grants, low-income housing assistance, the space station and wastewater treatment grants.

The handbook recommends that Congress move to scrap the income tax system and replace it with a national sales tax of 16 to 18 percent. Interim steps would include elimination of the capital gains tax, outlawing retroactive taxes and abolishing tax withholding.

■ **GOVERNMENT REFORM:** "We have elected a legislature of professional busybodies," the handbook says in a chapter calling for "perestroika in government."

Cato's congressional reforms begin with term limits, and the handbook urges a constitutional limit of 12 years in the Senate and six in the House, rather than the 12-year House limit that senior Republicans such as House Speaker Newt Gingrich (R-Ga.) favor. The 12-year House limit, Cato's handbook says, represents "the professional politicians' attempt to preserve as much of the status quo as possible."

Other reform proposals include ending all congressional perks and scrapping the current congressional pension program.

Looking at the executive branch, Cato calls for eliminating eight Cabinet departments: Agriculture, Commerce, Education, Energy, Housing and Urban Development, Labor, Transportation and Veterans Affairs.

■ **DOMESTIC POLICY:** Social Security reforms top the domestic agenda. The main elements are to raise the retirement age to 70 over the next 30 years and to allow workers under age 50 to shift some of their Social Security payroll taxes to individual investment accounts. Cato calls for a gradual increase in the Medicare deductible and a shift in the program to cover catastrophic rather than ordinary medical expenses.

Cato would turn education and welfare over to the states. On crime, it would repeal the 1994 crime bill and would legalize the sale of drugs to adults, a long-standing position.

Cato's immigration policy is summed up as "immigration yes, welfare no." Congress, the handbook says, should expand quotas on legal immigration while restricting access of legal immigrants to welfare.

■ **REGULATION:** Among the most far-reaching of Cato's proposals are those affecting federal regulations. Cato attacks everything from the Food and Drug Administration to the Americans with Disabilities Act to a host of environmental laws, including legislation covering clean air, clean water and toxic waste cleanup. It calls them a "costly, wasteful and job-killing" burden on the economy.

■ **DEFENSE, FOREIGN POLICY:** Cato urges the United States to adopt a policy of "strategic independence" that would reject the role of global policeman without becoming a "hermit republic." Cato recommends ending U.S. military participation in United Nations peacekeeping activities. The handbook also says it is time to begin bring home U.S. forces from Japan and South Korea, eliminate all bilateral and multilateral foreign aid and terminate such "Cold War relics" as the Arms Control and Disarmament Agency, the U.S. Information Agency and the Selective Service.

Unlike many Republicans, Cato contends defense spending should be reduced, not increased. The handbook recommends elimination of the B-2 bomber, the Seawolf submarine, the Trident D-5 missile and the C-17 cargo plane. Congress should shrink the military budget to about $204 billion by fiscal 2000, Cato says.

But it advocates increased spending on an antiballistic missile (ABM) defense system.

Wash. Post; 2-5-95

THE CONTRACT WITH AMERICA: WHERE IT STANDS

LEGISLATION	STATUS
▶ Congressional Reforms	
Congressional accountability	Passed. Clinton signed Jan. 23.
Committee and staff changes	Passed on House floor.
▶ Fiscal Accountability Act	
Balanced budget constitutional amendment	Passed in House, in Senate committee
Line-item veto	Passed in House committee
Three-fifths majority to raise taxes	Rejected by House.
■ *This week:* Senate continues balanced budget debate on the floor. House plans to vote today on the line-item veto.	
▶ The Taking Back Our Streets Act	
Victim restitution	Passed in House committee.
Prison grants	Passed in House committee.
■ *This week:* House will debate four anti-crime bills concerning mandatory victim restitution, deportation of criminal immigrants, warrantless searches, and state prison grants.	
▶ The Personal Responsibility Act	
Welfare reform	House committee action begun.
▶ The Family Reinforcement Act	
Tax breaks for child adoptions and elder care; child support enforcement; stronger child-pornography laws	No action yet.
▶ The American Dream Restoration Act	
$500 per child tax credit, repeal marriage tax penalty, expand IRA savings accounts	No action yet
▶ The National Security Restoration Act	
Prohibit defense cuts to finance social programs; consider an antiballistic missile system; prohibit U.S. troops from being placed under U.N. command	Passed in House committee, moved to floor.
▶ The Senior Citizens Fairness Act	
Raise Social Security earnings limit; repeal 1993 tax hikes on Social Security benefits	No action yet.
▶ The Job Creation and Wage Enhancement Act	
Reduce capital gains tax	No action yet.
Unfunded mandates	In House/Senate conference.
Paperwork reduction act	Passed Senate committee.
■ *This week:* House will hold hearings on paperwork reduction act	
▶ The Common Sense Legal Reform Act	
"Loser pays" laws, limit punitive damages, reform product liability laws	No action yet.
▶ The Citizen Legislature Act	
Constitutional amendment to limit congressional terms	House committee action begun

SOURCES: Congressional Quarterly, Associated Press

THE WASHINGTON POST

COVER STORY

USA Today; 2-3-95 P. 1

Values get a chance at comeback

Some worry new morality movement could turn mean-spirited, self-righteous

By Mark Potok and Andrea Stone
USA TODAY

DALLAS — A new millennium is approaching. But for a nation where few rules go unbroken and all morality seems relative, it is the "good old days" that beckon.

Values — honesty, responsibility, civic virtue — are now sorely missed as violence, teen pregnancy and drug use rise. Not the budget deficit, but the moral deficit, is decried as the greatest threat.

And from the White House to the courthouse, from city hall to the classroom, morality is on our minds.

"It's not just the economy, stupid," says Amitai Etzioni, a George Washington University sociologist. "No society can survive moral anarchy."

Today, 1,100 citizens gather here for one of the largest meetings ever on the roots of social disintegration.

The "Community Forum on Character and Values" isn't meant to divide people, says its sponsor, the California-based Josephson Institute of Ethics. The idea here and in similar forums across the USA is to come to a consensus on virtue and promote it.

"We've become so sophisticated, we've lost our capacity for moral outrage," says forum sponsor Michael Josephson. "We're more concerned with mental health than morality."

Dallas Mayor Steve Bartlett, a forum host, says the coun-

Cont'd on next page ▸



By Susan Weems, AP

STEVE BARTLETT: Dallas mayor in 'Community Forum on Character and Values'

"It doesn't matter if you're rich or poor, there's no excuse for lying, stealing and cheating, period."

— Actor Tom Selleck, Character Counts Coalition

Cont'd from previous page

try is in denial. "We have convinced ourselves that, a) values don't matter and, b) if values do matter then we're not allowed to talk about them publicly."

But that attitude has been changing — especially since the November elections, when the Republican mantra that "personal responsibility" should play a major role in public policy won by a big majority at the polls.

▶ In last week's State of the Union address, President Clinton commended a Temple Hills, Md., minister who works to keep troubled couples together, saying such efforts "ought to be uplifted and supported."

▶ On Capitol Hill, Speaker Newt Gingrich has held the specter of orphanages over the heads of teen moms.

On the Senate side, lawmakers have formed a Character Counts Coalition, which stands up for six "core elements" of good character: "trustworthiness, respect, responsibility, justice and fairness, caring, and civic virtue and citizenship."

"The social fabric has broken down," says Sen. Pete Domenici, R-N.M., head of the coalition. "There is a huge energy and desire to do something about this."

▶ Vanderbilt University soon will kick off an ethics and moral leadership program for students in its business, divinity, law and medical schools.

"Most people share a real concern about the collapse of integrity in many of our institutions," says divinity school dean Joseph Hough.

▶ In Albuquerque, N.M., a program to inculcate values at Bel-Air Elementary School resulted in a two-thirds drop in discipline incidents in just the first three months. The program now has spread to other schools nationwide.

"It's not enough to have a good government or a good economy," says David Blankenhorn, author of *Fatherless America*. "You need good citizens."

▶ Criminal court judges increasingly sentence offenders, particularly young ones, to community service or "value-building" programs.

One Memphis judge even has given probation to thieves on the condition they allow their victims to take something from their homes.

▶ At Dallas Can! Academy, where high school dropouts are taught personal responsibility, 98% get their high school equivalency degree, compared with 35% for other area programs.

"It's totally different than a regular high school, where there's really no one to pat you on the back," says student body president Tynisa Adkins, 18. "I'm going to walk away from here with a lot of values I didn't have before."

▶ Leaders of every stripe are speaking out. Former Joint Chiefs of Staff chairman Colin Powell, a possible presidential contender, has denounced the "incredible trash" on daytime TV. Pope John Paul II's *Crossing the Threshold of Hope* and former Education secretary William Bennett's *The Book of Virtues* are best sellers.

"If we don't know that it's wrong for a man to impregnate a women and walk away, we're finished as a civilization," Bennett says.

But all this talk about values brings a chill to some people. It's not that they oppose values, it's that so often in the past, values have been wielded almost as a club — to punish, exclude and shame anyone who acted or thought differently.

Supporters of the new virtue insist that won't happen.

"This is not about condemning behavior," says Kathleen Sylvester of Progressive Policy Institute, a centrist Democratic think tank. "It's really a question of imposing values in some kind of a sensible way, separating the sinner from the sin."

Says sociologist Etzioni: "Being self-righteous is wrong and mean-spirited. But we cannot only work with stroking people. We occasionally have to tell them, gently, that's not the way we do things here."

Organizers of the Dallas forum say they'll be careful to avoid arguments over such hot-button issues as homosexuality or abortion. But their goal to promote values almost everyone agrees with doesn't mollify everyone.

Says David Taffet of the Dallas Gay and Lesbian Alliance: "I'm concerned with them teaching family values to the point where there's no acceptance of anybody who lives in other than a standard family."

For good or for ill, though, the imposition of a set of national values still is mostly talk. In reality, ethical chaos reigns.

A man convicted of lying to Congress nearly unseats a U.S. senator from Virginia who admitted getting a nude massage from a woman who was not his wife. Gangsta' rappers glamorize cop killers. Cheating scandals convulse the U.S. Naval Academy. TV talk shows serve up an uninterrupted diet of bizarre sexual behaviors.

Many agree with forum sponsor Josephson that the slippery slope into sin began with the "cultural relativism" of the 1960s.

Since then, he says, people have grown increasingly reluctant to criticize others' actions, feeling that there is no absolute right or absolute wrong.

Now, the tide is turning.

"The answer to the question, 'Whose values?' are those values we all share as Americans," says actor Tom Selleck, a conservative who co-chairs the Character Counts Coalition with former congresswoman Barbara Jordan.

"It doesn't matter if you're rich or poor there's no excuse for lying, stealing and cheating, period."

Wash. Post; 2-4-95

Ways and Means Chief Explains Medicare, Social Security Plans

By Spencer Rich
Washington Post Staff Writer

House Ways and Means Committee Chairman Bill Archer (R-Tex.) laid out his principles yesterday for Medicare and Social Security changes, declaring that if Congress moves to get Medicare beneficiaries to enroll in HMOs and other private health plans with the federal government paying the premiums, it should be "on an elective basis."

That would let those who wish to stay in the existing federal health care program for the elderly do so, he said.

Seeking to assure the nation's elderly that he has no intention of using a wrecking ax on the two programs, which his committee controls, he also told an American Association of Retired Persons meeting here, "I am very, very opposed to means testing Social Security benefits. . . . It is not a welfare program." He said he feels the same way about Medicare hospital benefits (Medicare Part A) because people pay for them in advance through the Social Security payroll tax.

However, Archer said he does not oppose some form of means testing for Medicare Part B (doctor insurance) benefits because it is not prepaid through a payroll tax.

Reducing the growth of Medicare, a $200 billion annual program, is a key GOP goal, in part because reducing its costs could help reduce the deficit.

One concept, floated by the Ways and Means Medicare subcommittee chairman, Rep. Bill Thomas (R-Calif.), is called "Medicheck." It would give Medicare enrollees government certificates worth a specific amount of money to buy a private health plan. The theory is that private sector competition will cut costs. Archer sought to assure the elderly they wouldn't be forced into private sector plans against their will.

Archer said just capping the growth of Medicare health benefits with a "global budget" would be like "turning up the gas jets under a pot and then putting a top on it" and a rock to hold down the top and hoping that would keep the pot permanently "from bubbling over."

That Democratic method of holding things down, he said, has not controlled Medicare costs sufficiently to prevent the insolvency of the trust fund in the next few years.

What is needed, Archer said, "is to look at the 'cost drivers' and work on them," such as reforming malpractice laws so doctors stop performing extra tests to protect themselves, or rooting out wasteful use of technology.

He said any major reform of Medicare would not come in the next few months but would be taken up after work on the GOP, "Contract With America" is completed, and would aim to preserve quality of care and "the ability of people to choose their own doctors."

Archer, near 67, said the "Medisave" concept is good for "younger people" with few illnesses but "not appropriate for people our age." In Medisave, an individual can save (in a tax-free account) the money he or his employer would normally spend on a standard health policy—provided he agrees to get only a low-cost "catastrophic" health policy and pay the first few thousand dollars of health costs out of his own pocket each year.

Archer said he worries that allowing people to siphon off the balances in their tax-deferred IRAs to pay education costs for their children and other needs will leave the IRA holder without any retirement income, so "I'm thinking of saying it should be a loan to the child."

SSI, from p. 1

penalties. Rep. Wayne T. Gilchrest, the Eastern Shore Republican, is co-sponsoring a bill to drop drug addicts from the rolls.

Rep. Albert R. Wynn, a Prince George's County Democrat, also took aim at alcoholics and addicts.

"We should distinguish between those who are incapacitated through no fault of their own as opposed to those incapacitated by their own conduct," he said.

Rep. Constance A. Morella, the Montgomery County Republican, partly blamed the program's problems on Congress: "Obviously, we are not monitoring it."

The articles in *The Sun* focused on shortcomings in aid for children and immigrants, both financed by the $25 billion Supplemental Security Income (SSI) program.

The children's rolls have tripled to 900,000 in six years. The increase is partly the result of parents in some poor communities who have sought to have their children declared disabled for marginal mental and behavioral problems, thereby qualifying for $458 a month in federal assistence.

The immigrant rolls have doubled to 700,000 in five years as middlemen, in some cases, have fraudulently shepherded them onto the rolls.

And, a program financed by SSI and the $40 billion Disability Insurance program, has given thousands of drug addicts and alcoholics cash they use to support their habits.

Together, SSI and DI send monthly checks to 8 million people, several million of whom collect from both programs.

Saying she was "sickened by these articles," Ms. Mikulski wrote to Sen. Bob Packwood and Sen. Daniel Patrick Moynihan, "I am sure that other Americans who work hard and play by the rules were equally angered by this litany of abuses."

"While I believe there are individuals who very much need and deserve to receive SSI benefits," Senator Mikulski wrote, "there are others who are bilking the system for every cent they can.

"I am outraged at this fraud and abuse and believe that we must act now to stop it."

Mr. Packwood is chairman of the Senate Finance Committee, which has jurisdiction over Social Security and welfare issues, and Mr. Moynihan is the panel's senior Democrat.

Trying to deliver on campaign promises, House Republicans are pressing for major welfare changes this spring. Their "Personal Responsibility Act" would curb the growth of SSI spending by eliminating the guarantee that anyone found eligible can get benefits. And, it would deny SSI benefits to foreign "aliens" while preserving them for "refugees."

House Speaker Newt Gingrich and Rep. E. Clay Shaw, chairman of the subcommittee handling the bill, have said other SSI changes will be added.

Mr. Cardin, a Ways and Means member, expects the committee to tighten eligibility standards and limit or eliminate cash benefits for children. He favors a proposal by Rep. Gerald D. Kleczka, a Wisconsin Democrat, that would replace cash with the goods and services needed to cope with a child's disability.

And, Mr. Cardin added, the committee may decide to cut off addicts and alcoholics.

Rather than giving cash to addicts, Mr. Cardin said, the money should be used to finance treatment. "Otherwise," he added, "you might just cut it off altogether."

Even as Congress considers a further crackdown on addicts and alcoholics, the Social Security Administration is preparing to notify 167,000 of them that they face a loss of checks in three years under legislation adopted last summer. That law requires them to get treatment if it is available.

The law limits those drawing SSI checks to 36 months of payments, whether or not they get treatment. Those drawing from the DI program can get only 36 monthly checks after they get into treatment. And, all of them faces suspension if they fail to continue in treatment.

There was less enthusiasm in the Maryland delegation for immediately dropping children from the rolls.

'Wash. Times; 2-4-95

Medicare reform talk scares retirees group

AARP: Change is OK; cuts aren't

By Karen Riley
THE WASHINGTON TIMES

A5

Leaders of the American Association of Retired Persons are unhappy with congressional promises discussed this week to restructure Medicare.

Some don't want Congress to shake up the popular program, others fear talk of reform is only a smoke screen to mask deep cuts in the government's health plan for the elderly.

"Congress is saying, 'Have faith, we'll do this,' but we could be buying a pig in a poke," said AARP President Eugene Lehrmann, a retired teacher from Madison, Wis., at a weeklong meeting to discuss the group's 1995 legislative agenda.

"The concern is, if you overhaul Medicare completely, you're going to devastate a system that's run very well," said AARP Vice President Joseph Perkins, a former benefits manager from Danvers, Mass.

On Monday, House Speaker Newt Gingrich of Georgia said in a speech to the American Hospital Association that Congress is "going to rethink Medicare from the ground up."

Although Mr. Gingrich offered few specifics, his speech made Medicare reform the major topic at the AARP meeting.

"The reaction here is that people aren't sure what he's really talking about, but when he talks about changes from the ground up, he pushes their anxious button," AARP chief lobbyist John Rother said.

Medicare recipients have the option of signing up with a managed care program, which Mr. Rother said was the only reform proposal Mr. Gingrich cited. Nine percent of Medicare recipients are in managed care plans, compared with two-thirds of private-sector workers covered by their employers.

AARP members were disappointed yesterday with the lack of details offered by Rep. Bill Archer, Texas Republican and chairman of the House Ways and Means Committee. Mr. Archer is slated to head a possible House task force on Medicare reform.

"He didn't flesh it out at all," Mr. Lehrmann said.

Mr. Lehrmann and others fear that the reason for reform talk is a need to cut Medicare's budget.

On Thursday, Vice President Al Gore told the group that the Republican-led Congress will have to cut Medicare by 30 percent to balance the federal budget by 20002

"We don't agree to that," Mr. Gore said, winning cheers from the AARP audience.

President Clinton's 1996 budget, which will be released Monday, keeps Medicare largely intact while proposing some changes to make the program "work better," Mr. Gore said.

"If you want to talk about reform, we're interested. If it's just a code for more budget cuts, we'll fight to protect benefits," said Martin Corry, the AARP's director of federal relations.

But Mr. Corry said the AARP recognizes that Medicare has long-range problems that must be addressed.

Spending on Medicare is growing at an unsustainable 10 percent a year, double the rate of medical inflation in the private sector, he said.

N.Y. Times; 2-6-95

G.O.P. Senate Leaders Say Surgeon General Choice Is in Trouble

By TODD S. PURDUM
Special to The New York Times

WASHINGTON, Feb. 5 — President Clinton's choice for Surgeon General came under more intense scrutiny today, with the top two Republican leaders in the Senate saying the appointment was in trouble because the nominee had performed some abortions and the White House had failed to alert the Senate to that fact in advance.

"I think the Administration, maybe they should have known, they surely asked the question," Senator Bob Dole of Kansas, the majority leader, said on the NBC News program "Meet the Press." "That troubles me almost as much as knowing they sent up this nomination. Will it be in some difficulty? Yes."

The nominee, Dr. Henry W. Foster Jr., acting director of Meharry Medical College in Nashville, has been an obstetrician and gynecologist for nearly 30 years. He said on Friday that he had performed "fewer than a dozen abortions" in his career, mostly in cases of rape or incest or in which the mother's life was in danger.

Earlier, the White House had assured Mr. Dole's fellow Republican Senator from Kansas, Nancy Landon Kassebaum, that Dr. Foster had performed no more than one abortion. Senator Kassebaum, who supports women's right to choose abortion, is chairwoman of the Senate Labor and Human Resources Committee, which will consider the nomination.

The White House acknowledged that it had misinformed Mrs. Kassebaum about Dr. Foster's record, but said the mistake was inadvertent.

Mr. Dole's second-in-command, Senator Trent Lott of Mississippi, the Republican whip, was even more skeptical when he appeared on the CBS News program "Face the Nation" today.

Asked if he would urge the President to withdraw the nomination, Mr. Lott replied: "I wouldn't make that recommendation at this point. I do think it is in serious trouble. I just have not had a chance to look at all the details, but there is more than just the abortion question. There are other questions, maybe what he has advocated or participated in with the Planned Parenthood organization."

Dr. Foster has long served on the board of Planned Parenthood in Tennessee, which offers abortion services, but he said that he has also delivered more than 10,000 babies and that his first priority in counseling teen-agers has always been to stress abstinence.

The 61-year-old nominee is best known for a program he started in 1987 called I Have a Future, which teaches teen-agers in two Nashville housing projects to delay sex and childbearing as a central element in developing successful lives.

Indeed, in announcing Dr. Foster as his choice to be Surgeon General, Mr. Clinton said on Thursday that he wanted him to lead a national public information campaign against teenage pregnancy.

If his nomination is confirmed, Dr. Foster would replace Dr. Joycelyn Elders, who was forced to resign in December after a series of controversial statements that culminated with her saying, in response to a question, that public schools should consider teaching about masturbation.

Today the White House stood by Dr. Foster, and abortion rights supporters rallied in support of his nomination.

"The President was aware of Dr. Foster's medical practice prior to announcing his intention to nominate and thinks Dr. Foster's enormously impressive history will stand him well in the confirmation process," said Dawn Alexander, a White House spokeswoman. "In fact, historically he has enjoyed so much nonpartisan respect for his work that President Bush named him a '1,000 Point of Light' " a Bush Administration program that honored voluntarism in American life.

The National Abortion and Reproductive Rights Action League said it would announce plans on Monday for a nationwide effort to "prevent opponents of choice from isolating and demonizing doctors who provide a legal medical service that their patients urgently need."

Dr. Foster's nomination was praised last week by the American Medical Association and the American College of Obstetricians and Gynecologists. The nomination must be confirmed by a majority of the Senate, where Republicans outnumber Democrats 53 to 47.

Asked today how much trouble the nomination was in, Senator Dole replied, "Don't know yet." Asked whether he would oppose the nomination, he said: "I'm not certain. I don't like what I hear, what I read. I haven't met with the nominee."

But the majority leader added: "Let's see what the testimony is. What my view is we shouldn't shoot down somebody before they've even had a hearing. And you may decide that, based on everything that is laid out — his record on other areas, his record on teen pregnancy — he's done a lot of good things — don't misunderstand me.

"But maybe he should be confirmed," Mr. Dole continued. "The general rule is that the President is entitled to his nominees, and that's been the general rule around here forever."

Balt. Sun; 2-4-95

Nominee discloses he performed abortions

Associated Press 7A

WASHINGTON — Dr. Henry Foster Jr., President Clinton's choice for surgeon general, said yesterday that he had performed "fewer than a dozen" abortions during nearly 30 years as an obstetrician-gynecologist.

The abortions "were primarily to save the lives of the women or because the women had been the victim of rape or incest," he said.

He said he also had delivered "more than 10,000 babies."

The revelation seemed certain to pose obstacles to confirmation for Dr. Foster, 61.

Rep. Robert K. Dornan, R-Calif., said, "This is a male version of [former Surgeon General] Joycelyn Elders and worse. She was a doctor, but she never said she performed abortions."

But Rep. Nita Lowey, D-N.Y., said, "The idea that performing a legal medical procedure could even possibly disqualify Dr. Foster . . . is an absolute outrage."

White House press secretary Mike McCurry said he did not know whether Mr. Clinton knew that Dr. Foster had performed some abortions.

USA Today; 2-6-95

Abortion disclosure tangles nomination

By Gary Fields
USA TODAY 3A

Confirmation hearings for President Clinton's surgeon general choice shaped up Sunday as a serious fight in light of Henry Foster Jr.'s disclosure that he's performed abortions.

Senate Republican leaders Bob Dole and Trent Lott predicted trouble for Foster, who said Friday he's done "fewer than a dozen abortions.".

"Will it be in some difficulty? Yes," said Dole, the Senate majority leader, on NBC's *Meet the Press*. But he said he wants to review Foster's record before deciding whether to oppose him.

"My view is that we shouldn't shoot down somebody before he's even had a hearing," Dole said.

The Senate, where Republicans have a 53-47 edge over Democrats, must confirm Foster by a simple majority.



By Tim Dillon, USA TODAY

FOSTER: May face tough battle in confirmation process

Foster, a Nashville gynecologist/obstetrician, acknowledged Friday that he had performed abortions "primarily to save lives of the women or because the women had been the victims of rape or incest."

That disclosure has ignited a firestorm on both sides.

White House spokeswoman Dawn Alexander says Clinton knew about the abortions before the nomination and "thinks Dr. Foster's enormously impressive history will stand him well in the confirmation process."

Lott, of Mississippi, was not so sure. Speaking on CBS's *Face the Nation*, he said the nomination was in "serious trouble. There is more than just the abortion question."

Rep. Nita Lowey, D-N.Y., supports Foster's nomination.

"Since when did performing abortions become illegal in this country? The idea that performing a legal medical procedure could even possibly disqualify Dr. Foster is an outrage," Lowey says.

Abortion rights opponents disagree. "I didn't think he was qualified to begin with because of his involvement with Planned Parenthood of America," says Judie Brown of the American Life League. She says the disclosure he performed abortions "disqualifies him absolutely."

Douglas Johnson, legislative director of the National Right to Life Committee, says the nomination is "one more evidence that Clinton is the captive of groups that regard abortion as just another birth-control method."

Kate Michelman, president of the National Abortion and Reproductive Rights Action League, has called for a news conference today to announce a nationwide mobilization to support the nomination.

Buck Williams, a South Dakota gynecologist/obstetrician who performs abortions, says the real issue isn't that Foster has performed the procedure but that he has a "very positive program on teen-age pregnancy which includes contraception and sex education. They (abortion rights foes) are dinosaurs and the swamp is drying up around their feet."

Robert McAfee, president of the American Medical Association, says the AMA supports Foster.

"We think there are still more positives than any possible negatives, and for that reason we will tend to support him," McAfee says.

The nation has been without a surgeon general since December, when Joycelyn Elders was fired after suggesting that schools might consider masturbation as part of any sex education curriculum.

Wash. Times; 2-6-95

Clinton faces hard sledding on budget, surgeon general

By Laurie Kellman
THE WASHINGTON TIMES

A3

If President Clinton thought the months since the Nov. 8 election were tough on him and the new Democratic minority, he should brace himself.

Mr. Clinton is staring at a string of fast-approaching political brawls with the new GOP majority in Congress on everything from the proposed budget he will give Congress today to his nomination last week of an obstetrician who has performed abortions to be surgeon general.

Senate Majority Leader Bob Dole of Kansas complained yesterday that the president's budget provides no clues on how to right the government's fiscal imbalance.

"It doesn't cut spending. He doesn't even cut the deficit," Mr. Dole said on NBC's "Meet the Press."

Sen. Pete V. Domenici, chairman of the Senate Budget Committee, accused the president of abandoning his promise to cut the federal deficit.

"Essentially what he did was take a walk. He took a walk on the deficit, Mr. Domenici said yesterday on ABC's "This Week."

Republican leaders promised to be more courageous and cut popular entitlement programs such as Medicare, which provides health coverage for the elderly, and Medicaid, which does the same for the poor.

Top administration officials countered that Mr. Clinton has cut the deficit more than any president in history. They accused Republicans of hiding from the American people the painful spending cuts that will be needed to meet the Republican goal of a balanced budget by 2002.

Mr. Domenici predicted Mr. Clinton's budget would boost the deficit $30 billion in 1996, higher than the president's projections. The New Mexico Republican also



Sen. Pete V. Domenici

complained that Mr. Clinton's proposals do not reform Medicaid and said Congress might amend the budget by giving the money to the states in block grants.

And he pledged that the deficit will spring back to $450 billion by 2003.

"That will be a higher deficit than we had when the president came in and he said, 'Let's cut it in half,' " Mr. Domenici said.

Rep. John R. Kasich of Ohio, House Budget Committee chairman, who also appeared on "This Week," said the president's budget "clearly lacks courage."

"The president dealt almost exclusively with discretionary spending," he said. "But the bottom line is they refused to deal with entitlements, and we are going to have to if we are going to get to zero over seven years in terms of a balanced budget."

White House Budget Director Alice Rivlin said on "This Week" Mr. Clinton had made hard choices by pushing a $505 billion deficit-cutting program through Congress during his first year in office without the aid of any Republican votes.

"We cannot be faulted for not taking the deficit seriously. When we came in, it was out of control," she said. "This budget keeps the deficit under control. We've gotten it under $200 billion."

The administration shows the 1996 deficit falling for a third straight year to $192.5 billion, then starting to rise and hovering close to $200 billion for the rest of the decade.

Battle lines between the White House and Congress also are being drawn on:

• The nomination for surgeon general of Henry W. Foster Jr., the obstetrician and gynecologist who admitted last week to doing less than a dozen abortions after lawmakers were told he had done only one "therapeutic" procedure in his career. On yesterday's talk shows, Republicans confirmed the process has gotten into "serious trouble."

"Will it be in some difficulty? Yes," Mr. Dole said yesterday on NBC's "Meet the Press."

The pro-life Kansas Republican, who would like to succeed Mr. Clinton, said he had not yet decided whether he will vote to confirm Dr. Foster. "I don't like what I hear, what I read," he said.

• The Republicans' overhaul of the 1994 crime bill, which the House plans to take up tomorrow. The GOP version virtually scraps Mr. Clinton's $5 billion in prevention programs and puts the money instead into block grants to be given to localities. Mr. Clinton is expected to veto that measure.

• The president's plan to raise the minimum wage — now $4.25 an hour — by 90 cents an hour over the next two years. Republicans scoffed at the plan, but there was some interest in a tradeoff — accepting the minimum-wage increase in exchange for passage of the Republicans' capital-gains tax cut.

Wash. Times; 2-5-95 p. 1

Sex-education views a problem for Foster

■ The sexuality philosophy of Planned Parenthood, to which he is closely tied, is at issue.

By Joyce Price
THE WASHINGTON TIMES

Surgeon general nominee Henry W. Foster Jr. was listed as a "public policy advocate" for Planned Parenthood Federation of America in that pro-choice group's 1992 annual report — a designation that is coming back to haunt him.

Opponents of the nominee — who also was a Planned Parenthood board member — argue that some of the sex-education policies the organization has advocated are far outside the mainstream.

As a "public policy advocate," Dr. Foster "would appear to be of a philosophy . . . that reduces sexuality to being primarily a physiological, biological phenomenon. . . . It's a . . . view that the mind and the body are radically separate from each other," said Onalee McGraw, director of the Educational Guidance Institute, an abstinence advocacy group.

"Our preliminary research indicates Dr. Foster's policies [on sex education] are more aligned with those of [former Surgeon General] Joycelyn Elders than those of most parents," Mark A. Tolf, spokesman for the Family Institute, a family advocacy group based in Nashville, Tenn., said in an interview on "Point of View" on the USA Radio Network.

Dr. Foster, 61, has had an obstetrics-gynecology practice in Nashville. In a statement Friday, he acknowledged he has performed some nontherapeutic abortions in that practice.

Opposition to his nomination has been mounting as a result of that disclosure, his ties with Planned Parenthood, and a health-promotion initiative he began at two Nashville housing projects in which condoms and other contraceptives are provided to adolescents.

The surgeon general nominee was a member of Planned Parenthood's national board from 1979 to 1981. Since 1989, he has served on its National Leadership Committee to Keep Abortions Safe and Legal.

Judie Brown, president of the American Life League, said Dr. Foster and Planned Parenthood's policies are the wrong answers for the mammoth problem of out-of-wedlock births. What's needed, she said, is "to do all we can to reinforce the family unit and strong moral values, not destroy it by inserting the government directly into the sex lives of our children."

Several senators have raised doubts about the confirmation prospects of Dr. Foster, a health-policy fellow at the Washington-based Association of Academic Health Centers.

"If the administration chooses to go forward with this nomination, it will have serious difficulty in the Senate," said Eric Ueland,

see **SEX-ED**, *page A12*

SEX-ED

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spokesman for the Senate Republican Policy Committee.

That group's chairman, Sen. Don Nickles, Oklahoma Republican, led the floor fight against the confirmation of Dr. Elders, who was fired in December for saying masturbation should be taught in schools

James A. Smith, government affairs director for the Southern Baptist Convention's Christian Life Commission, said Dr. Foster "will be Joycelyn Elders all over again" in terms of policy.

"This nomination is a test of whether the new Republican-controlled Senate is up to fighting the culture war. . . . If Henry Foster is confirmed, we'll have seen an abject failure by the GOP," Mr. Smith said.

Dr. Elders was a strong advocate of a "comprehensive health education program" for children in grades kindergarten through 12, including sex education in the early grades and secondary school clinics providing contraceptives.

Concerns about masturbation instruction and any sex education programs that condone sexual activity by children have been raised by conservative groups unhappy with Dr. Foster, who, as surgeon general, would be expected to lead President Clinton's campaign against teen pregnancy.

During the time that Dr. Foster was a "public policy advocate," Planned Parenthood and a controversial New York-based organization known as the Sex Information and Education Council of the United States (SIECUS) led a powerful lobbying drive for a comprehensive national sex-education curriculum for children in kindergarten through grade 12.

It was an effort proponents said would help reduce teen-age pregnancy, pointing to sex-education guidelines developed by SIECUS as a possible model curriculum.

"The SIECUS guidelines teach kids to explore their sexuality," said Kristi Hamrick, spokeswoman for the Family Research Council, one of the first groups to condemn Dr. Foster's nomination. "SIECUS is a pro-masturbation group."

"Dr Elders was a very strong supporter of SIECUS, and they of her. She contributed several articles to their magazine, SIECUS Report," said Pat Funderburk Ware, former director of the Office of Adolescent Pregnancy Programs in the Department of Health and Human Services.

SIECUS officials were not available to comment.

A 1993 Wall Street Journal report about the guidelines noted that SIECUS advocated teaching schoolchildren that:

- "Girls and boys have body parts that feel good when touched."
- "Homosexual love relationships can be as fulfilling as heterosexual relationships."
- "Some people use erotic photographs, movies or literature to enhance their sexual fantasies when alone or with a partner."

The Educational Guidance Institute's Mrs. McGraw said the SIECUS curriculum is being used by a small number of school districts. She and the Family Institute's Mr. Tolf attacked Planned Parenthood for bringing lawsuits against school systems that have implemented abstinence-based curricula

Wash. Post; 2-4-95 p. 1

Foster Says He Performed Abortions

Revelation Prompts Effort to Reject Clinton Surgeon General Choice

By John F. Harris
Washington Post Staff Writer

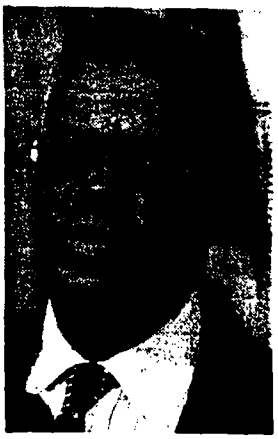
President Clinton's surgeon general-nominee Henry Foster Jr. said yesterday that he has performed abortions in his Tennessee gynecology practice, prompting antiabortion activists to flood Capitol Hill with telephone calls urging senators not to confirm him.

After initially saying Foster would not address the issue of whether he had performed abortions before his confirmation hearing, the Clinton administration released a statement from Foster acknowledging that in 30 years as a physician, "I believed that I performed fewer than a dozen pregnancy terminations," all of which "were primarily to save the lives of the women or because the women had been the victims of rape or incest."

The revelation's political hazards became clear almost instantly. Senate Labor and Human Resources Committee Chairman Nancy Landon Kassebaum (R-Kan.), whose panel will vote on the nomination, said she had been misled by Clinton administration officials about Foster's background regarding abortions, and called his history "a potential damaging diversion. . . . It's going to be a problem."

Kassebaum, who generally supports abortion rights, said she asked administration officials last Saturday, after Foster's likely nomination had been made known, whether he had performed abortions. A cou-

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HENRY FOSTER JR.
. . . *"fewer than a dozen"*

N.Y. Times; 2-4-95 p. 1

Nominee to Be Surgeon General Is Criticized for Doing Abortions

By DOUGLAS JEHL
Special to The New York Times

WASHINGTON, Feb. 3 — The Tennessee doctor nominated by President Clinton to become Surgeon General provoked alarm and criticism among some Republicans today when he said he had performed "fewer than a dozen" abortions during nearly 30 years of practice as an obstetrician and gynecologist.

Some Republicans whose initial response to the nomination was muted said the statement today raised questions both about the choice of Henry W. Foster Jr., the acting director of Meharry Medical College in Nashville, and about the White House's handling of the matter.

Senator Daniel R. Coats, the Indiana Republican who is a member of the Labor and Human Resources Committee, which must consider the nomination, quickly issued a statement that labeled Dr. Foster "a former abortionist." He called Mr. Clinton's selection of him "highly, highly disturbing" and said it was now "sure to engender another battle."

Senator Nancy Landon Kassebaum, the Kansas Republican who heads the committee, complained bitterly that Dr. Foster's nomination had been "poorly handled." An aide said she had questioned the White House earlier this week about Dr. Foster and had been assured that he had performed no more than one abortion.

Even though Senator Kassebaum is an advocate of abortion rights, her associates said today that she felt undercut by the White House in the face of expected opposition to the nomination by her more conservative Republican colleagues. The White House acknowledged tonight that an aide to Mr. Clinton had misinformed Senator Kassebaum about Dr. Foster's record, but insisted that the statement had been inadvertent.

Administration officials said they had asked Dr. Foster to issue the statement in response to inquiries

Continued on Page 8, Column 1

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from reporters and to put information about the abortions into the broader context of his entire medical career, in which he has also delivered more than 10,000 babies.

The White House acknowledged that the abortions would become a focus of attention as the Senate considers the nomination, which has already drawn criticism from antiabortion groups.

Dr. Foster has long served on the board of Planned Parenthood in Tennessee, which provides abortion services. In his statement, he said his first priority in counseling teenagers has always been to stress abstinence as a means for avoiding pregnancy. And he repeated a formulation favored by Mr. Clinton in saying that he believed that abortion should be "safe, legal and rare."

The doctor, who is 61 years old and was nominated by Mr. Clinton on Thursday, said he had performed abortions primarily in cases where a pregnancy was caused by rape or incest or in which the mother's life was in danger.

In the statement, Dr. Foster also

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Wash. Times; 2-4-95 p. 1

Multiple abortions hurt nomination

Surgeon general pick contradicts White House claim he'd done only one

By Paul Bedard
THE WASHINGTON TIMES

The nomination of Dr. Henry W. Foster Jr. to be surgeon general was imperiled yesterday when he conceded he had performed "fewer than a dozen" abortions after senators were told he had performed only one "therapeutic" abortion.

Several senators yesterday raised doubts that Dr. Foster, an obstetrician-gynecologist, will be confirmed.

Dr. Foster issued a statement through the Department of Health and Human Services that "most" of his abortions were done to save the lives of women or because the women had been rape victims. He did not say how many abortions on demand he had conducted.

His statement, which followed a disclosure yesterday in The Washington Times that his Nashville, Tenn., practice included abortions, read:

"I have personally delivered more than 10,000 babies in nearly 30 years of practice including my service in the military.

"In that period of almost three decades as a private practicing physician, I believed that I performed fewer than a dozen pregnancy terminations. None were in outpatient settings; all were in hospitals and were primarily to save the lives of the women or because the women had been the victims of rape or incest."

It was not clear how many — if any — abortions he had performed outside his medical practice as an instructor at Meharry Medical College in Nashville and at Tuskegee University in Alabama.

The letter was received grimly at the White House, which attempted to avoid questions about the nomination and the confirmation hearings to be held by the Senate Labor and Human Resources Committee.

Sen. Nancy Landon Kassebaum, Kansas Republican and committee chairman, criticized the White House for giving her misleading information about the number of abortions Dr. Foster had performed

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said he had performed each procedure in a hospital, never in clinics whose primary function is to provide abortions.

Senator Bob Dole, the Republican leader, was traveling today, and his office said he had no immediate comment about Dr. Foster's statement. But after expressing initial support for the choice of Dr. Foster on Thursday, Senator Dole simply grinned and walked away later that day after being told that the nominee supported abortion services.

Senator Bill Frist, a Tennessee Republican and a surgeon who appeared at the White House on Thursday in support of the nomination, appeared today to take a half step away from it.

Asked whether the Senator's position had changed since Dr. Foster acknowledged having performed abortions, a spokesman for Mr. Frist said, "Based on the information he has thus far, it has not."

It is not known exactly how many obstetricians in the United States do abortions. Many refuse to perform any abortions and a small number make the procedure the focus of their practices. Advocates of abortion rights have complained for years that medical training programs do not offer adequate instruction in the procedure

The Alan Guttmacher Institute, which does research on reproductive issues, says the number of hospitals, clinics, and doctors' offices that provide abortions dropped 8 percent between 1988, when there were 2,582, and 1992, when there were 2,380. The institute said the nation had the most abortion providers in 1982, when there were 2,908. The findings are from the 10th annual Guttmacher survey of abortion providers, which Guttmacher conducted in 1993 by directly contacting all known providers of abortion services.

Michael D. McCurry, the White House spokesman, said today that Mr. Clinton had known before choosing Dr. Foster that he had performed a small number of abortions during his career. But Mr. McCurry said the President believed that even opponents of abortion would judge Dr. Foster by the breadth of his work, including his founding of a program in Nashville that has shown success in preventing teen-age pregnancies.

Dr. Foster, who began his career as a medical officer in the Air Force in 1959, has practiced obstetrics and gynecology at hospitals in Massachusetts, Tennessee and Alabama. He has also been chief of service at the teaching hospitals affiliated with the Tuskegee Institute and Meharry Medical College, where abortions are done.

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ple of days later, she recalled, an administration official told her that Foster had performed just one. Kassebaum expressed surprise yesterday that the administration's story has now changed.

"I can't tell you how disappointed I am in the White House," she said.

Health and Human Services Department spokeswoman Avis LaVelle said, "There obviously was some misinformation conveyed, but there was no deliberate attempt to mislead."

Calls to Kassebaum's office started pouring in immediately after Foster made his announcement, and were running about 400 to 1 against his confirmation, according to the senator's staff.

There was no mystery as to why: Antiabortion groups say they have been exhorting their members to make their feelings known, promptly and vociferously.

Concerned Women for America, a group that claims 600,000 members, began running on 100 Christian-oriented radio stations condemnations of Foster's past practices and urging his defeat, spokeswoman Cata Mockaitis said.

"We don't believe that an obstetrician-gynecologist who would take the life of his second patient—a pregnant mother's unborn child—should become the nation's physician," Mockaitis said.

Some on Capitol Hill vigorously came to Foster's defense.

"The idea that performing a legal medical procedure could even possibly disqualify Dr. Foster from serving as the surgeon general is an absolute outrage," Rep. Nita M. Lowey (D-N.Y.), co-chair of the Congressional Women's Caucus, said in a statement.

Foster, 61, who has served as dean and acting president of Meharry Medical College in Nashville, has been active in Planned Parenthood and other groups seeking to encourage young people to avoid becoming pregnant out of wedlock. Speaking at the White House on Thursday, he said he hopes to make this a theme of his tenure if he is confirmed as surgeon general.

The last surgeon general, Joycelyn Elders, was fired by Clinton after a long series of impolitic statements that culminated in her saying that public schools should consider teaching about masturbation.

White House press secretary Michael McCurry said Clinton remains supportive of Foster and was not worried about a lobbying campaign against him by antiabortion activists.

"Given Dr. Foster's enormously impressive record in the area of reproductive health and the work that he has done to counsel those teenagers who face pregnancy situations and the work he's done to discourage people from having births out of wedlock," McCurry said, "the president was well satisfied that that record would stand up, even to those who might criticize him from that particular perspective."

Foster, in his statement, said that he has "personally delivered more than 10,000 babies."

That a gynecologist of Foster's age would have performed several abortions, even though that is not his specialty, is not unusual, medical experts said. Particularly in the years immediately after the Supreme Court's *Roe v. Wade* decision, abortion clinics were uncommon in many states, and pregnancy terminations often were performed by physicians whose specialty was general gynecology.

The American College of Obstetricians and Gynecologists (ACOG) does not have statistics on how many practitioners of Foster's age have performed abortions. However, the executive director of the organization, Ralph W. Hale, said he would guess that about half have.

Hale said an informal survey of ACOG members eight years ago revealed that three-quarters approved of legal abortion, but only one-third were performing the procedure. Hale estimated that because of ethical objections, one-quarter of obstetrics and gynecology residents refuse to do abortions during their residencies.

Staff writers David Brown and John Schwartz contributed to this report.

SURGEON

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A spokesman for the senator said the White House had told her Dr. Foster "had performed one therapeutic abortion, and now she hears today that many more had been performed, some ostensibly not therapeutic."

Kassebaum spokesman Mike Horak added: "She is extremely disappointed in how the White House handled the nomination. She places the blame directly on the White House."

Mrs. Kassebaum has a pro-choice voting record.

Sen. Bill Frist, the freshman GOP senator from Tennessee who was counted on by Mr. Clinton to help guide the Foster nomination to confirmation, retreated from his endorsement of Dr. Foster.

"I know Hank Foster as a physician and friend and can speak only of his credibility as a doctor and integrity as an individual," the senator said late yesterday.

Other committee members raised new concerns about Dr. Foster, well-known for his Nashville program I Have a Future, which seeks to reduce teen pregnancy through education and the distribution of condoms in two public housing projects.

"This nomination is highly, highly disturbing, and I strongly question why the president continues to make controversial appointments after the highly divisive tone of his last surgeon general's tenure," said Sen. Daniel R. Coats, Indiana Republican.

Mr. Coats is expected to lead the committee opposition to the nomination.

Dr. Foster, 61, a health policy fellow at the Washington-based Association of Academic Health Centers, was nominated to replace Dr. Joycelyn Elders, who was fired in December after she advocated teaching schoolchildren about masturbation. She has returned to her former job as an instructor in pediatrics at the University of Arkansas School of Medicine in Little Rock.

On the House side, pro-life representatives reacted strongly.

"This proves Bill Clinton is the abortion president," said Rep. Christopher H. Smith, New Jersey Republican and one of the leading pro-life voices in Congress. "Here we have the highest health care professional in the land, and he's an abortionist who kills children. This is part of a methodical assault on family values."

Cardinal James A. Hickey, the archbishop of Washington, took up the fight against the nominee one critic labeled "Elders Lite."

"It appears that Dr. Henry Foster's views on matters of importance to the family are very similar to those of his predecessor, Dr. Elders," he said. "This is disappointing. I had been hoping for a change in direction, a change more reflective of the values of most Americans."

White House spokesman Michael McCurry defended the president's choice.

"Given Dr. Foster's enormously impressive record in the area of reproductive health and the work that he has done to counsel those teen-agers who face pregnancy situations and the work he's done to discourage people from having births out of wedlock," he said, "the president was well satisfied that that record would stand up, even to those who might criticize him from that particular perspective."

Mr. McCurry urged opposition groups to focus on the efforts by Dr. Foster to reduce teen pregnancy. "Abortion does not define what this nomination is all about," the spokesman said.

In his letter, Dr. Foster also revealed his affiliation with the Planned Parenthood Federation of America, a 17-year relationship not mentioned in his official White House biography or by Mr. Clinton at Thursday's Oval Office ceremony to nominate Dr. Foster.

"Through my long affiliation with Planned Parenthood Federation of America, my personal goal has always been to provide education, counseling, preventive health care and contraceptive access to patients needing such services," he said. "If abortion is provided, my wish is that it be safe, legal and rare."

In recent years he has been a member of Planned Parenthood's National Leadership Committee to Keep Abortion Safe and Legal.

Dr. Foster noted his role as "chief of service" at two teaching institutions: Meharry and Tuskegee.

In a statement that opponents said suggests he taught students to perform abortions, Mr. Foster wrote: "A wide variety of medical procedures and researches was performed at both. To my knowledge, all were in accordance with the law and educational requirements."

• *Joyce Price contributed to this report.*

Jefferson City Post-Tribune (MO); 1/27/95

Missourian to head CDC fund-raising efforts

By JOHN EGAN
News Tribune

As deputy director of the Missouri Department of Health, Charlie Stokes helped sell state lawmakers on the agency's funding needs. Next month, the Jefferson City man will become the top fund-raiser for the federal government's war on disease.

Stokes has been hired as the first executive director of the new National Foundation for the Centers for Disease Control and Prevention, the nonprofit organization announced Friday. He will assume the job Feb. 6.

The federal Centers for Disease Control and Prevention, based in Atlanta, combat preventable diseases, unintentional injuries and violence.

Stokes, 45, will lead the foundation's efforts to generate money from charitable foundations, corporations and foreign governments. Congress authorized the foundation as a way to collect money to supplement the CDC's federal funding.

"CDC is recognized worldwide as the public health expert, but they simply don't have the government funds to do the full job that needs to be done," Stokes said Friday in an interview.

Start-up funding for the foundation is $500,000 from the CDC and $1 million over two years from the Atlanta-based Robert W. Woodruff Foundation.

Members of the CDC foundation's board include T. Marshall Hahn Jr., former chairman of the Georgia Pacific Corp.; entertainer Bill Cosby; former U.S. Rep. Edward Roybal, D-Calif.; and Bernard Marcus, chairman of Home Depot.



"My personal goal has always been to provide education, counseling, preventive health care and contraceptive access."
— Dr. Henry W. Foster Jr.



Sen. Bill Frist



Charlie Stokes

Dr. David Satcher, director of the CDC, called the foundation "an invaluable partner to support CDC's work to improve this nation's public health."

Hahn, chairman of the foundation board, said: "The foundation has great potential for helping CDC expand its science base through studies, projects and research, and enhance its staff through endowed positions and fellowships."

Stokes said he learned just before Christmas that he had been chosen to head the foundation. He was one of about 150 candidates.

He rejected the first invitation to apply for the job but accepted the second one.

"I was probably crazy to say 'no' the first time. But the second time around, it just sounded too interesting to turn down," Stokes said.

Jan. 20 was his last day at the state Department of Health. He had worked at the department and its predecessor, the Division of Health, since 1973. As deputy health director since 1983, Stokes supervised day-to-day operations of the agency.

He and his family – wife Laurie and sons Matthew, 18, Joshua, 15, and Jonathan, 11 – will move soon to Atlanta. Charlie and Laurie were born and raised in Jefferson City.

"It's tough leaving our family and leaving friends at the Department of Health," Stokes said.

Jefferson City Post-Tribune (MO); 1/28/95
SATURDAY, JANUARY 28, 1995

Assistant surgeon general has roots in Mid-Missouri

By JOHN EGAN
News Tribune

Richard Lemen fondly remembers growing up in California, Mo., where he swept floors and stocked shelves at his parents' Ben Franklin store on Oak Street.

"It was a really relaxed rural community where everyone knew everyone else. There was very little crime. It was a very different world from what we find ourselves in today," Lemen recalled.

Today, the 1961 graduate of California High School finds himself in a world where he combats workplace violence, tries to prevent the spread of tuberculosis among health care workers and fights on-the-job exposure to asbestos.

Lemen, 51, is deputy director of the National Institute for Occupational Safety and Health, an arm of the Atlanta-based federal Centers for Disease Control and Prevention. The institute employs about 1,000 people.

Along with that post, which he's had since early last year, Lemen this month was promoted to rear admiral in the U.S. Public Health Service. Accompanying that rank is the title of assistant surgeon general, he's one of about 50 assistant surgeons general.

With Lemen's promotion, his duties at the institute won't change but he occasionally will represent the U.S. surgeon general at functions. The deputy surgeon general temporarily is filling that job; President Clinton recently fired Surgeon General Joycelyn Elders.

Lemen said he isn't interested in replacing Ms. Elders. "I'm

See LEMEN, page 5

☆Lemen

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very satisfied where I'm at right now," he said in a telephone interview from his home in Atlanta.

Following a two-year stint in the Army as an occupational health specialist, Lemen joined the National Institute for Occupational Safety and Health in 1970, the year it was founded.

His first assignment: studying asbestos-related diseases linked to on-the-job exposure. He's now an expert on those sometimes deadly diseases – asbestosis, a respiratory illness that scars the lungs; lung cancer; and mesothelioma, a cancer that damages the lining of the chest or abdomen.

Lemen has written federal government publications and a World Health Organization document on asbestos-related diseases. Asbestos is a fire-resistant, fibrous mineral used in fireproofing, electrical insulation and other construction materials.

"It's been a career objective of mine to see that asbestos is used properly and that people are not exposed to it in unprotected ways," he said.

In the United States, asbestos was used heavily in construction of homes, schools and ships from the 1930s through the early 1970s, when the U.S. Environmental Protection Agency began strictly regulating its use in building products, Lemen said.

One of the biggest concerns this country faces regarding asbestos is exposure to the material during renovation or demolition of buildings, he said.

Today, the United States uses hardly any asbestos, he said. But major producers in Canada, China and Russia tout asbestos as a cheap, readily available building product in Third World nations in Africa, Asia and South America, he said.

"Canada has been particularly aggressive in promoting its use in developing countries," Lemen said.

In the United States, he foresees a leveling out of asbestos-related respiratory disease, but a rise in cases of asbestos-related cancer until the turn of the century. However, all types of asbestos-related illness are on the increase in Third World countries, he said.

As his work on asbestos demonstrates, Lemen's career in public health enables him to prevent more illness than he could in general medicine, he said. "I see that curative medicine is really a failure in the efforts to prevent disease," he said.

Lemen has held a variety of jobs at the National Institute for Occupational Safety and Health as one of its original employees. He was its acting director from August 1993 to April 1994 and was an assistant director in Washington, D.C., from October 1988 to August 1991.

He earned a bachelor's degree in zoology and chemistry from Central Methodist College in Fayette, a master's degree in epidemiology from the University of Missouri-Columbia and a doctoral degree in epidemiology from the University of Cincinnati.

He and his wife, Kim, have a 7-year-old son, Tyler.

Born in Paola, Kan., Lemen was adopted as the only child of Larry and Blanche Lemen, who ran California's Ben Franklin store for 40 years. His father is dead; his 90-year-old mother lives in a nursing home in Atlanta.

Looking back on his days in Mid-Missouri, Lemen remembers learning how to swim at the pool at Jefferson City's Memorial Park and recalls California as "a great place to grow up and a great place to have friends."

Wall St. Jrnl.; 2-6-95

HEALTH JOURNAL

By Marilyn Chase

Acetaminophen Is Safe–Provided You Follow Instructions

IS NOTHING SAFE anymore? Now we're told one of the world's safest painkillers, acetaminophen, can have lethal side effects. The truth is that the safety of over-the-counter drugs has always been relative, not absolute.

Acetaminophen (a k a Tylenol), which has been available since the 1950s, is one of the most popular nonprescription drugs ever. Over the past two decades, Americans have swallowed about 187 billion acetaminophen tablets (or one pill per adult per week, according to Tylenol's manufacturer, McNeil Consumer Product). It is sold generic or branded, plain or blended into 100 medicines for arthritis, colds or flu. Because it's easy on the stomach, acetaminophen is often billed as safer than aspirin and nonsteroidal drugs like ibuprofen, which can cause gastric bleeding.

But there's danger in excess. Acetaminophen can soothe – and kill. It's long been a common tool of suicide in Britain, for example. And even when used therapeutically, two recent studies suggest small accidental overdoses, or years of steady use, can injure the liver or kidney.

Forget wretched excess; even subtle excess is suspect. At the University of Pittsburgh Medical Center, David Whitcomb pored over six years of hospital records on nearly 127,000 patients and found 21 who suffered serious liver damage after taking modest overdoses of acetaminophen while fasting or drinking alcohol. Symptoms of overdose don't usually appear until after 24 hours, when nausea and vomiting begin.

The label limit of acetaminophen is four grams (or eight extra-strength tablets) a day. But Dr. Whitcomb found that as little as five grams or 10 tablets a day could injure the liver, if patients weren't eating – due to, say, flu or toothache – or if they were drinking heavily.

How can such a safe drug hurt you? Acetaminophen produces toxic byproducts that the body normally purges by coupling them with sugars and flushing them out through the filtering action of the liver and kidney. But fasting depletes a key compound in this cleansing process. Liquor also prompts the body to overproduce an enzyme, which boosts these toxic byproducts still more. By this logic, malnourished alcoholics suffer double jeopardy.

IN A SECOND study, Michael Klag of Johns Hopkins University conducted a phone survey of the past drug-taking habits of 716 kidney-dialysis patients and 361 healthy people. He found that chronic users of acetaminophen had double the odds of kidney failure. McNeil, a unit of Johnson & Johnson, attacked the study as faulty and unclear about which came first – the kidney damage or the drug use.

Still, acetaminophen overdose has long been implicated in kidney damage. Nevertheless, Dr. Klag says he isn't urging people to switch drugs – since a shift to heavy aspirin use could trigger stomach bleeding – but simply to be aware of risks.

The rap sheet on acetaminophen has a comforting postscript. Both researchers say major organ damage is very rare. Better still, nobody in Dr. Whitcomb's huge survey suffered any ill effect while consuming the recommended four grams or eight extra-strength tablets a day.

Recently, an Alexandria, Va., federal court awarded $8.8 million to a Virginia man who says the recommended dose of Tylenol – combined with three to four glasses of wine a night – destroyed his liver. McNeil is appealing. Dr. Whitcomb says he



witnessed no such problems in patients who complied with label limits. "This doesn't say it's impossible," he says. "[But] from our study, it would appear safe to stick within the recommended dosage."

ACETAMINOPHEN is still "probably the safest analgesic we have," Dr. Klag agrees, but adds, "You have to consider the entire risk and benefit profile of a drug." Part of that profile, he insists, is a risk to kidneys from years of chronic use.

"If you need it, use it," says Dr. Klag. "But some people consider OTC medications as akin to candy. Whenever you take a medicine, you need to ask: Do I really need it?" Other experts suggest that chronic users check their blood levels of creatinine, a marker of kidney damage, and tailor treatment if needed.

Anthony Temple, McNeil's executive director of medical affairs, faults the widespread perception that OTC drugs are risk-free. "They're sold over-the-counter because they're safe enough to be selected and used by consumers according to the label," he says, not because they are devoid of risk.

"Tylenol," he says, "has an extraordinary safety profile if used according to the label." Still, its new label warns anyone regularly consuming three or more drinks a day to consult a doctor before taking it or any pain pill.

One watchdog group urges a blunter caveat.

Sidney Wolfe, who heads the Public Citizen Health Group in Washington, says simply: "Don't mix Tylenol and alcohol. If you drink regularly, even in moderate amounts, don't take Tylenol. If you take Tylenol, stay away from alcohol."

"The scariest thing," says Denver poison expert Barry Rumack, "is that people say, 'Oh I've got a bad headache so I'll take three or four extra-strength tablets' – even though the box says no more than two at a time or eight in a day."

Dr. Rumack, director emeritus of the Rocky Mountain Poison Control and Drug Center and president of the drug database firm Micromedex, says many Americans fudge on doses, believing that if a little is good, a lot is better.

"That," he says, "is what keeps poison control centers in business."

Wall St. Jrnl.; 2-6-95

FDA Investigating Apparent Counterfeit Of Abbott's Similac

By a Wall Street Journal Staff Reporter

ALAMEDA, Calif. – The Food and Drug Administration's criminal investigative unit is looking into what the agency calls a sophisticated ruse in which counterfeit cans of a popular infant formula turned up in some California supermarkets.

The FDA learned of the episode after mothers called **Abbott Laboratories**, whose Ross Laboratories unit makes the formula Similac, contending the product didn't look right.

The label, which reads "Similac with iron, powder," appeared slightly faded, the powder inside wasn't the same as the real product, and the plastic scoop was the wrong color, an Abbott spokeswoman said. "It would appear to be a very sophisticated forgery," she said. Although the cans bore what seemed to be authentic factory coding on the bottom, "it is not our can," she said.

Both Abbott and the FDA, which took several cans to a laboratory in Atlanta for analysis, said the mysterious powder may have been infant formula and apparently wasn't harmful. No incident of illness related to the cans was reported.

The cans in question apparently were purchased only at Safeway and its Pak 'n Save stores in northern California, authorities said. Safeway issued a nationwide alert to its stores to pull suspicious cans from shelves. The cans bear the lot number 87532RB APR96 on the bottom.

Wash. Times; 2-4-95

Ex-HHS chief takes aim at way FDA is run

By Karen Riley
THE WASHINGTON TIMES

Former Health and Human Services Secretary Dr. Louis Sullivan yesterday was named to head a project aimed at replacing the way drugs and medical devices are brought to market.

Dr Sullivan will chair an advisory committee of academics, industry officials and patient groups to review and critique work on the Medical Innovation Project by the Progress and Freedom Foundation, a conservative think tank.

"Many of our best health care companies are moving their research and development overseas and giving others the benefits of new technologies years ahead of our own citizens," Dr. Sullivan said in a statement. "We can no longer afford business as usual."

Also yesterday, the foundation released a white paper on how to speed up the approval of life-saving drugs. One alternative, it said, was to set up a private certification process not unlike what Underwriters Laboratory now does for consumer products.

The foundation gets about 15 percent of its funding from drug companies and pays for House Speaker Newt Gingrich's nationally televised college course. Although Mr. Gingrich, Georgia Republican, has advocated replacing the Food and Drug Administration, which he describes as "anti-job, anti-science and anti-progress," that's not the foundation's goal, according to President Jeffrey Eisenach.

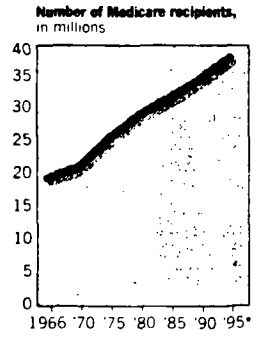
Suggestions to solve the problem by abolishing the agency are "simple-minded," suggesting incorrectly there should be no federal role, he said.



Dr. Louis Sullivan

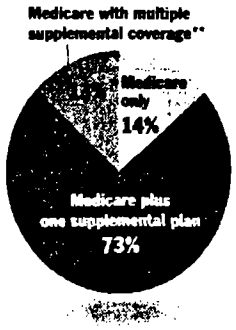
WIDENING MEDIGAP

While the number of Americans *on Medicare has almost doubled since its introduction. . .*



*Estimate

. . . the vast majority of retirees *supplement their coverage through one or more plans.*



**As of 1991 the last year duplicate coverage was allowed

SOURCE Health Care Finance Administration

THE WASHINGTON POST

Wash. Post; 2-5-95

Changes in 'Medigap' Law Revive Duplicate Coverage

In the closing hours of the 103rd Congress last October, lawmakers revisited a major piece of insurance consumer legislation enacted in 1990 and, in the view of many who worked on the measure five years ago, undid a major feature of it.

As a result, insurance companies are once again allowed to sell elderly Americans medical insurance policies that duplicate coverage they already have through the government's Medicare program or through insurance they may already own.

CASH FLOW

Albert B. Crenshaw

The insurance industry argues that the change was needed to make it clear that Medicare recipients could legally buy other coverage they want. For example, the 1990 law appeared to bar a senior who bought a "medigap" policy to supplement Medicare from buying a long-term-care policy, or to bar a senior with an employer-sponsored retiree health care plan from buying a medigap policy.

However, consumer groups fear that last fall's changes will allow the return of duplicative and wasteful policies that cover only very limited circumstances or that pay benefits the policyholder would have gotten from Medicare or a medigap policy.

They point to a General Accounting Office study showing that before the 1990 law was passed, about 3 million people were paying approximately $2 billion a year for coverage they already had.

The insurance industry sees it differently. The way the 1990 law was worded made it much more sweeping than Congress intended, barring coverage that the legislators plainly didn't mean to bar, contends Alan Richards, counsel for managed-care and insurance operations at

See CRENSHAW, H7, Col. 1

CRENSHAW, From H1

the Health Insurance Association of America, a trade group here.

"In 1990, Congress got confused about what it was trying to do and screwed the law up so it really didn't work," Richards said.

While the new law continues to ban sale of outright duplicate medigap policies, "It opens the door to sale of low-value products we don't think belong in this market," said Gail Shearer, director of health policy analysis at Consumers Union.

These include "dread disease" policies, which cover only a single malady, such as cancer, or hospital indemnity plans, which typically cover the same costs that Medicare pays.

Shearer said that hospital indemnity policies pay out on average only $40 in benefits for every $100 that policyholders pay in premiums. This loss ratio, as it is called in the industry, is far lower than for most other kinds of insurance. Shearer said it is evidence that such policies are of low value to the consumer.

Consumer groups are especially unhappy because they regard the 1990 law as one of the most successful pieces of insurance consumer legislation in recent years. It prohibited duplication and standardized the coverage that could be offered under medigap policies—a provision that allows consumers to comparison-shop much more easily than before.

Today, as a result of the law, there are 10 standard medigap plans that seniors can choose from, all providing a core package of benefits. The more expensive versions add other coverages, such as paying for Medicare deductibles or prescription drugs.

The new law does require that when a consumer is sold a policy that duplicates some Medicare or medigap benefit, the agent has to notify the buyer of that fact.

Also, such policies must pay all the stated benefits regardless of other coverage. This rules out what is known as coordination of benefits, the practice of having one insurer refuse to pay in cases where there is multiple coverage. Coordination of benefits is widely used to keep policyholders from double-dipping, and recovering more than their costs, but in the past it has also meant that consumers sometimes got little or nothing from a policy that duplicated Medicare.

The National Association of Insurance Commissioners last week completed drafts of how the disclosure statements will read, and the drafts will be submitted to the Department of Health and Human Services for review. The drafting turned out to be quite complex, NAIC officials said, because of the numerous different types of policies involved and the myriad ways they can overlap. NAIC finally devised fewer than 10 different disclosure forms that it believes cover all the possibilities.

Shearer said the disclosures don't go as far as she would have liked but seemed to meet the requirements of the law.

For seniors, the best approach is to stay away from disease-specific and other limited policies, several consumer advocates said.

"If they have Medicare Parts A and B and one of the standard medigap policies, then other than possibly considering long-term care, if it's appropriate for them, they don't need any extra policies, said Priscilla Itscoitz, manager of health insurance counseling at United Seniors Health Cooperative, an advice and advocacy group here.

She said that, too often, "people are influenced by what their friends do." She recalled recently that a woman called because "her bridge club was offering a cancer policy."

Don't follow your friends without checking, Itscoitz said. "See a counselor. Don't be pressured by any salesperson," she said.

The HIAA's Richards said "some consumer groups are really biased against limited benefit policies," and that people ought to be able to buy the coverage they choose as long as they understand what they are getting.

And, he said, even insurers see problems with the new law.

Many long-term-care policies do coordinate their benefits with Medicare. Since there are many things Medicare does not cover and since the private policies often have lifetime benefit caps, "it makes sense to use Medicare dollars for the things Medicare pays for" and save the private benefits for things Medicare doesn't cover.

However, the ban on coordination of benefits prevents this.

"The law is imperfect again," he said.

POST-TRIBUNE, Jefferson City, Missouri, Friday, January 27, 1995

State health care plan could save $3.7 million for workers

By JOHN EGAN
News Tribune

State workers in the Missouri Consolidated Health Care Plan are expected to save $3.7 million this year in out-of-pocket health care costs for themselves and dependents.

Also, the plan anticipates state government will save $28.3 million on health care coverage for state workers in the 1995-96 budget year, which starts July 1.

"We're experiencing the best of all worlds – savings to the state that instead can support other vital services, and savings to the individual state worker," Mike Wolff, chairman of the plan's board, said in a written statement.

Members of the board received the figures at a meeting Thursday and discussed employees' complaints about their new health care coverage, which took effect this month.

The savings primarily will be realized through the shift of thousands of state employees from traditional medical insurance to health maintenance organizations. HMOs are designed to tightly control costs and, therefore, extend better rates to customers.

The savings chiefly benefit state employees with dependents. An employee in Jefferson City paid as much as $205 a month for family coverage in 1994, but the price tag dropped to as low as $113 this year.

"We're experiencing the best of all worlds – savings to the state that instead can support other vital services, and savings to the individual state worker."

Mike Wolff

About 75 percent of state workers in Mid-Missouri covered by the consolidated plan are enrolled in HMOs.

The state pays the entire expense of employee-only coverage – $125 a month – for those enrolled in the low-cost HMO option, GenCare. Employees who choose more expensive health care packages pay the difference.

Before this year, the consolidated plan offered only traditional medical insurance in Central Missouri. In 1994, it cost the state $237 a month to provide that coverage, and the consolidated plan ran that program.

Humana Inc. now offers traditional medical insurance at $168 a month for employee-only coverage, with the state picking up $125 of the tab and the employee paying the difference.

The plan says reduced expenses will save the state $28.3 million in the upcoming budget year and up to $150 million over five years.

Thursday's meeting was the board's first since monumental changes in health care coverage for state employees in Mid-Missouri took effect Jan. 1.

Under the new system, some employees have complained about disparities in HMO coverage of chiropractic and podiatry services, officials with the plan say. While foot and back care are covered by HMOs, they differ on what types of professional care is given. "Anytime you do something as massive as we've done, you're going to have a few growing pains here and there," said Ron Meyer, executive director of the consolidated plan.

Meyer reported that a delay in distributing ID cards to some HMO members had been resolved.

He assured board members that the plan would monitor HMOs' performance on such items as how long patients must wait to see doctors and how customer complaints are handled.

See PLAN, page 5

From page one

The plan also wants to scrutinize the record of each HMO in encouraging childhood immunizations, women's mammograms and other preventive measures that will save health care costs over the long run.

"Don't let them off the hook," board member Jane Bierdeman-Fike said of the HMOs.

Meyer replied: "We hear about it if someone's not happy."

Sen. Mike Lybyer, a board member, said HMOs should be penalized if they don't perform well. Tom Bixby, representing board member Jay Angoff, the state insurance director, said "the ultimate penalty" for an HMO's poor performance would be for an employee to switch from that HMO to another one.

About 45 local governments, including the cities of Jefferson City and California, have signed up for employee health care coverage through the consolidated plan, Meyer said. Those employees will be charged the same rates as state workers.

Meyer said the arrangement gives local public employers in Missouri, such as city governments, county governments and school districts, the same buying power as state government – and, therefore, access to lower-cost health care.

IN THE LOOP

Wash. Post; 2-5-95

Is Gingrich's Sponsorship Endangered?

By Al Kamen
Washington Post Staff Writer

Some folks may think it's endearing that House Speaker **Newt Gingrich** (R-Ga.) keeps models of dinosaurs all over his office and that when he was a boy he tried to persuade the city of Harrisburg, Pa., to create a zoo.

But conservative property rights activists, trying to reform the Endangered Species Act, are not so charmed. Gingrich, who with liberal Rep. **Gerry Studds** (D-Mass.) sponsored reauthorization of the act last time around, may be on the wrong side again, said **Myron Ebell**, Washington representative of the American Land Rights Association.

Ebell noted the Gingrich problem recently in a lengthy strategy memo for **Daniel Val Kish**, staff director of the Resources Committee chaired by Rep. **Don Young** (R-Alaska).

"As you know," Ebell wrote, "we have been working to make sure that Gingrich doesn't co-sponsor Studds's bill again. But his soft feelings for cuddly little critters is still going to be a big problem. We are going to need to get some of the freshmen and women to work on him."

In the memo, Ebell calls Rep. **Richard W. Pombo** (R-Calif.) "determined, intelligent, personally affected by ESA, but still inexperienced." (Just think, if we had term limits, this would be his penultimate term.)

Conservative Rep. **W.J. "Billy" Tauzin** (D-La.) is called "our most powerful rhetorical weapon."

The Republican takeover of the appropriations process is hopeful, Ebell said. "The House subcommittee looks good since we de-clawed [subcommittee Chairman Ralph] Regula [R-Ohio]. [Chairman Bob] Livingston has helped by stacking it, 8 Rs to 4 Ds. . . ."

Looking for the Big Picture at the Pentagon

■ Tongues were atwitter this week among the sophisticated set in Old Town Alexandria that the Pentagon was spending big money ($50,000 was the rumor we heard) at the local Torpedo Factory, a collection of art galleries, to decorate the Joint Chiefs dining room. The story was that all that military art in the Pentagon basement just wasn't suited for the chiefs' digestion.

Linda Hafer, a manager at the Art League, the largest gallery at the Torpedo Factory, says she had been asked by a Joint Staff officer overseeing the dining room redecoration, Navy Lt. **Scott Wine**, to find some pretty artwork for the largely bare walls.

"They're looking for something suitable for the dignitaries who sometimes dine there as guests," Hafer explained. "They looked at what the services already have. The Navy has some pictures of nice ships, the Air Force has some planes, but the Army and Marines have pictures with a lot of blood and guts not really appropriate for a dining room."

Hafer said she has been given a very limited budget to work with, well under $10,000, and is planning to pick out only a couple of pieces or so from the works of the 1,100 artists who contribute to the gallery. "We may have to go with a print or two in the end," she said.

"For some time, there's been thought given to getting some artwork for the walls of the chairman's dining room," said a Joint Staff official. Wine, who is "in charge of the dining room, has been doing research on artwork," working with Pentagon officials, trying to get some free advice from private, nonprofit groups. "Whatever we decide to do," the official promised, "the money will not come out of the Defense Department budget."

The Reagan Revolution Hits House Rules Panel

■ Speaking of art. When last we left House Rules Committee Chairman **Gerald B.H. Solomon** (R-N.Y.), he was promising black colleagues he would take down a portrait of former Rules chairman **Howard W. Smith**, a vicious racist who blocked civil rights legislation for decades.

Solomon had dusted off and put up Smith's portrait in place of that of Democrat **Claude Pepper** (D-Fla.), another former Rules chairman who was an advocate for older Americans.

So whose countenance now gazes upon committee deliberations?

None other than that of former president **Ronald Reagan**. He never had a thing to do with the Rules Committee but then again, "Solomon loves him" and "people call the 'Contract With America' the Second Reagan Revolution," an aide said. Smith's portrait went back into the closet.

Meanwhile, the Democrats have put Pepper's portrait in the suite of offices of Minority Leader **Richard A. Gephardt** (D-Mo.).

Runyon Critic May Not Get Postal Board Seat

■ Word is **John Crutcher**, an outspoken critic of Postmaster General **Marvin T. Runyon** and former aide to Senate Majority Leader **Robert J. Dole** (R-Kan.), no longer has the inside track to win one of the three vacant seats on the Postal Service Board of Governors. Senior postal officials had said that Crutcher, a former member of the independent Postal Rate Commission, appeared to be headed for a GOP board seat with the blessing of his old boss.

But Sen. **William V. Roth Jr.** (R-Del.) of the Governmental Affairs Committee has let the White House know that since he chairs the panel that confirms the governors, it might be well that they consider his candidate. Now, the White House is saying the leading GOP candidate for the board is **Robert F. Rider** of Bridgeville, Del., a longtime GOP partisan and friend of the chairman. Said a Roth aide: "We're hopeful that Mr. Dole will support our nominee and we don't have any reason to believe otherwise."

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GOP Senators Begin Studying Repeal of Affirmative Action

By R. Jeffrey Smith
Washington Post Staff Writer

Senate Republican lawmakers have begun to study whether affirmative action requirements in federal laws should be dropped on grounds that they may discriminate unfairly against white men, Majority Leader Robert J. Dole (R-Kan.) said yesterday.

Dole, appearing on NBC's "Meet the Press," said he has asked the Congressional Research Service to supply him with copies of all federal legislation that promotes affirmative action, or the use of racially oriented hiring preferences to help minorities improve their economic status.

Dole said his voting record gives him credibility in looking at affirmative action. He said he was unsure whether those who want a job or a raise should "have to pay" for the workplace legacy of slavery or for discrimination practiced by generations "before they were born." "It's something we're looking at," he said.

"Has it worked? Has it had an adverse, a reverse reaction? Why did 62 percent of white males vote Republican in 1994?" Dole asked. "I think it's because of things like this,

See DOLE, A5, Col. 1

DOLE, From A1

where sometimes the best-qualified person does not get the job because he or she may be one color. And I'm beginning to believe that may not be the way it should be in America."

"We did discriminate. We did suppress people. It was wrong. Slavery was wrong. But should future generations have to pay for that? Some would say yes. I think it's a tough question," Dole said.

In California, conservatives who are angry about "reverse discrimination" against whites and men are pressing for a ballot initiative that would eliminate all affirmative action requirements in state law. A Senate Republican review of the issue could intensify the national debate about affirmative action requirements.

The Supreme Court has had a mixed view of affirmative action, knocking down some state law preferences but giving special deference to preferences in federal law. Now the court, which has become more conservative in recent years, is taking up a challenge to a federal law that gives preference to socially disadvantaged people, including racial minorities.

On another subject, Dole and Sen. Trent Lott (R-Miss.), the majority whip, predicted that Henry Foster Jr., President Clinton's nominee for surgeon general, will face difficulty winning confirmation because he performed abortions.

Dole said Foster, an obstetrician-gynecologist, had "done a lot of good things" about teenage pregnancy. But he added, "I don't like what I hear, what I read" about the nominee. Dole said he was unhappy that the White House did not tell Congress earlier that Foster had conducted abortions. The nominee said he performed fewer than a dozen abortions in addition to delivering more than 10,000 babies.

Dole declined to say how he would vote, explaining that "we shouldn't shoot down somebody before they've even had a hearing."

In an example of how the confirmation is shaping up as a major battle between groups on each side of the abortion issue, the National Abortion and Reproductive Rights Action League announced yesterday that it was launching a major campaign supporting Foster in order to "prevent opponents of choice from isolating and demonizing doctors" who perform abortions, Reuter reported.

Antiabortion groups are flooding Senate offices with calls urging lawmakers to vote against the nomination. The Catholic archbishop of Washington, Cardinal James A. Hickey, Saturday called Foster's nomination disappointing on grounds that he did not represent a "change in direction" from Joycelyn Elders, whom Clinton fired in December.

Meanwhile, Dole, Lott and House Appropriations Committee Chairman Bob Livingston (R-La.) each said yesterday that they might support the Clinton administration's proposal to increase the minimum wage in exchange for a cut in taxes on capital gains.

Council of Economic Advisers Chairman Laura D'Andrea Tyson declined on CBS's "Face the Nation" to say how the White House would react to linking the two issues, but she reiterated the administration's prediction that three-quarters of the extra income from the tax cut would flow only to the wealthiest 10 percent of the population.

Wash. Post; 2-4-95 p. 1

Chipping at a Democratic Cornerstone

California Party Leaders Consider Compromise on Affirmative Action

By William Claiborne
Washington Post Staff Writer

LOS ANGELES, Feb. 3—California's top Democrats are looking for ways to accommodate a proposed ballot initiative in 1996 that would repeal all state laws on affirmative action, a cornerstone of the party's social policies for three decades.

Mindful of the electoral hammering they suffered last November, the Democrats say it would be political suicide not to compromise in the face of increasingly popular Republican attacks on affirmative action as "reverse discrimination" against whites and males.

Above all, party leaders are seeking to avoid a repeat of last fall when voters overwhelmingly approved Proposition 187, which would deny many social services to illegal immigrants. Many Democrats who opposed the initiative, which is now bottlenecked in court appeals, went down to defeat, including gubernatorial candidate Kathleen Brown.

"This could become Armageddon. It's potentially worse than Proposition 187, much more divisive, really. It will turn neighbor against neighbor and brother against brother," said state Democratic chairman Bill Press.

Affirmative action is one of a number of cutting-edge national issues—such as crime control, welfare reform and devolution of power to the states—that Democratic strategists here argue the party must reconsider. Some contend the party cannot afford to cling to outmoded positions or to relinquish to Republicans the support of white middle- and working-class voters who lean rightward on these issues.

Sponsored by two conservative San Francisco-area scholars, the proposed California Civil Rights Initiative would amend the state constitution to prohibit state and local governments from giving preference to women and minorities in jobs, promotions, contracts and college admissions. It has been endorsed by

See AFFIRMATIVE ACTION, A6, Col. 1

AFFIRMATIVE ACTION, From A1

the state Republican Party and its backers predict they will easily get the 615,000 valid signatures needed to qualify for the 1996 ballot.

But Press said state Democrats do not want to stage an ideological showdown over the issue. "Not only is this an area where there's a possibility of compromise, we have to be aggressive in seeking a compromise in order to avoid a bloodbath in 1996," he said.

"I say that as a longtime supporter of affirmative action. But like a lot of good programs, it can be abused by people with the best intentions. There are cases where people can point to where it's been discriminatory. If it's broke, I think we've got to fix it," Press added.

Lt. Gov. Gray Davis, who since being elected in November has emerged as the Democratic Party's policy point man, told reporters at a breakfast meeting this week, "There shouldn't be any sacred cows in public policy and all of us should have the courage to reexamine policies, no matter how noble, to make sure they're still wanted."

In a later interview, Davis added that Democrats have to assume the initiative will be on the ballot in 1996 and will be popular, and that they should "take stock of the beating we got last time and collectively search for a message that resonates with the voters but is still accepted by our supporters."

Noting that California is "more conservative than people appreciate," Davis, a onetime aide to former governor Edmund G. "Jerry" Brown Jr. (D), said Republicans have been adept at promoting "wedge" issues in ballot initiatives that have spilled over into electoral defeats for Democrats—including Proposition 187 last year, welfare reform in 1992 and term limits in 1990.

Press said that although the party leadership will hold a series of meetings to devise an affirmative action strategy, one possibility is a counter ballot initiative that would allow remedies to discrimination based more on "socioeconomic considerations" than race, ethnicity and gender. Such a policy would be consistent with the way academic scholarships traditionally have been granted, he said.

Press said he would prefer to revise affirmative action in the state legislature, but, "If it has to go to the ballot . . . we'll have our own ballot initiative." He said the party would favor a vote on the proposition in the March presidential primary, when the two parties would not be going head-to-head.

Gov. Pete Wilson (R) has not yet taken a position on the ballot initiative, according to spokeswoman Leslie Goodman. But in a recent television panel interview show, Wilson said, "I don't think we should be awarding either jobs or places in a graduate school class based upon race or gender, because if you do, essentially you're talking about a quota system, and I don't think that what we want are quotas. We don't want to deny anybody access, but I don't think you give preferences by virtue of gender or membership in an ethnic group."

Because California is a bellwether of political and social change nationally, backers of the movement against affirmative action say the ballot initiative could have wide repercussions.

"I'm not surprised Gray Davis made that move. I think it will split the Democratic Party and you're going to see plenty of people jumping on the bandwagon all across the country," said David Horowitz, president of the conservative, Los Angeles-based Center for the Study of Popular Culture. "People are no longer intimidated by the charge of racism, because it's been so overused and trivialized."

Horowitz, a onetime New Left radical who coauthored "Destructive Generation: Second Thoughts About the 1960s," said that in the wake of the Republican revolution in November, "the dam has burst" in public attitudes against existing affirmative action laws.

William L. Taylor, vice chairman of the Washington-based Citizens Commission on Civil Rights, who supports affirmative action, said he was not surprised at the Democrats' steps to accommodate the repeal movement. "After November, there are people in various stages of shell shock. Politicians are concerned about what kind of hit they'll take on this one," said Taylor.

Wash. Post; 2-6-95

ANN LANDERS

DEAR ANN LANDERS: I'm writing in response to the letter from "On Needles and Pins in Sequim, Wash.," regarding laboratory tests ordered by physicians. The writer wanted to know why doctors, nurses, clinics and labs are so indifferent about informing patients of their test results.

I work in a laboratory that serves about 9,000 physicians and 25 hospitals. Paperwork comes through our lab daily for thousands of patients. Despite the workload, almost every test ordered is performed and the results completed within 24 hours.

Patients often call our lab for their results. By law, we cannot give patient results without permission from the requesting physician. I wish your readers would understand this.

Day after day, I must deal with disgruntled patients who call me every name in the book because I can't give them test results, and I am sick of it. Please print this.—A Lab Assistant in California

Dear Lab Assistant:

I was swamped with responses from angry medical professionals in nearly every state of the union and a few foreign countries. Their beefs were legitimate. Please keep reading if you want to know what my week was like:

From Idaho: I work for an internist. Our office informs patients that they will be called back *if* there are abnormal lab results. Patients do call us, however, to discuss normal test results, and although these calls can be very time-consuming, at least the patient doesn't have to be anxious about the results. Unlike lawyers, doctors don't bill for the many hours they spend on the phone often providing free medical advice unrelated to the original problem. You should have suggested that the reader phone the doctor for the lab test results, Ann.

Loomis, S.D.: I was disturbed by your reader's comment that nurses are indifferent, insensitive and disorganized in regard to test results. I've been an RN for 12 years. I've worked in hospital emergency rooms, psychiatric units and nursing homes. It is *not* in the scope of a nurse's responsibilities or rights to divulge test results. Due to rampant litigation over the years, medical practitioners have been forced to take a defensive stance. The responsibility for informing a patient about test results rests exclusively with the physician.

New York City: There should be a law against anyone but the attending physician giving out information about tests. Two years ago, a laboratory technician walked into my hospital room and said, "You have a brain tumor. I just saw the results on my information sheet and thought you ought to know." It turned out that her information was incorrect, but she scared me half to death.

Cedar City, Utah: We work in a lab. We provide a service. We are not care givers. It is the doctor's place to let you know your results. If the doctor can't manage to get back to you, please don't blame us. We feel bad when we can't tell you. This is lab policy. The only reason doctors get away with being insensitive is because we lab workers are too chicken to let them have it. As the saying goes, the difference between God and a doctor is that God doesn't think he's a doctor. If a doctor complains that he doesn't have time to get back to you, well, hell, tell that doctor to make time. Patients provide doctors with a pretty nice living, and they should be available when needed.

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THE FEDERAL DIARY

Wash. Post; 2-6-95

Benefits Under Pressure

By Mike Causey
Washington Post Staff Writer

A big change in federal-military retirement would come in 2000 under revisions drafted by the Bipartisan Commission on Entitlement and Tax Reform.

Neither political party has adopted or introduced any of the blue-ribbon panel's proposals. It is headed by Sen. **Bob Kerrey** (D-Neb.) and former senator **John C. Danforth** (R-Mo.) But its ideas—many are retreads from earlier commissions—come from a group of heavy hitters. And they come at a time when both political parties are in a bidding war to cut the cost of government benefits.

The proposals would not be effective for five years. But they go to the heart of benefits in the old Civil Service Retirement System and the Federal Employees Retirement System. FERS replaced CSRS a decade ago.

If adopted, the proposals would affect the benefits of many workers who are five or more years away from retirement and could have a dramatic effect on benefits for younger employees and people just starting out in government. They also could have an effect on government recruiting, because the generous civil service benefits package—with the retirement program as its centerpiece—would be devalued.

The commission's recommendations touch virtually every federal entitlement and tax program. All would require congressional approval. Here are the proposals affecting federal civilian workers, military personnel and retirees:

- Reduce retirement benefits for workers under the new Federal Employees Retirement System (nearly everybody hired in the last 10 years) by 10 percent, and reduce benefits for workers under the old Civil Service Retirement System by 7 percent for service performed after 2000.
- Make major structural changes in the FERS and CSRS pension programs. Beginning in 2000, the minimum retirement age for employees under CSRS would be raised two years, to 57. Annuities now based on an employee's age, length of service and highest three-year average salary would be based on a highest four-year average salary. The way benefits are computed would be changed to reduce the payout to retirees. CSRS employees could no longer retire at 55 with 30 years of service, and neither could they expect starting annuities equal to 56.25 percent of their highest three-year average salary.

An alternative to that plan would be to raise the retirement age for workers under the CSRS and FERS pension plans. The minimum retirement age would rise to 62 starting in 2000. Benefits would be based on the highest five-year average salary.

- Cut the government "subsidy" toward the total premium for federal retirees with fewer than 20 years of service. Currently, the government pays the same amount—about 73 percent—of the total premium for both retirees and active workers regardless of length of service. This option, if adopted, also would go into effect in 2000.
- Limit the combined level of Social Security and military retirement benefits at 80 percent of the highest three-year average of basic pay. Under current law, retirees get 40 percent of base pay for the first 20 years of active military service, rising to 75 percent after 30 years. The limit would "ensure that a military retiree's combined retirement benefits do not exceed the pre-retirement earnings upon which those benefits were based," the report said.
- Reduce congressional retirement benefits by 40 percent immediately. Members now contribute more to the retirement program than other employees. Their benefits are computed at a higher rate, and their six-figure salaries give them proportionately bigger benefits than rank-and-file federal workers.

The commission included more than 20 members of Congress and big guns such as White House adviser and former House Budget Committee chairman **William H. Gray III** (D-Pa.) and United Mine Workers President **Richard L. Trumka**.

Wall St. Jrnl.; 2-6-95 p. 1

Library Search Hints Of Electrifying News From Big Tobacco

* * *

Philip Morris, Among Others, Is Working on a Cigarette That Runs on Batteries

By SUEIN L. HWANG
Staff Reporter of THE WALL STREET JOURNAL

Is there a battery-powered, microchip-controlled, pressure-sensitive cigarette in the world's future?

Though it sounds like science fiction, Philip Morris Cos. has one on the drawing board. And this device, or perhaps one similar, could make it out of the lab for consumer tests in the not-too-distant future, people familiar with the project say.

Though top secret, the electric cigarette design came to light in a recent search of patents in the most public of places – the New York City public library – which, like many libraries around the country, keeps U.S. Patent filings on microfilm. The device's existence is testimony to the ever-escalating war on second-hand smoke – a war that is banishing smoking from an increasing number of public places.

Blazing Trails

The Philip Morris patent, in fact, is but one of dozens of patents on file at the library, by tobacco and other companies and by entrepreneurs, seeking the holy grail of Big Tobacco: a smokeless cigarette. RJR Nabisco Holdings Corp. has patented its own version of an electric cigarette – it attaches by a flexible cord to a "power pack" that rests suavely in the smoker's shirt pocket. And a Connecticut surgeon, with no connections to tobacco companies, has filed a design for a cigarette that sends nicotine directly into a smoker's lips using electrical impulses.

Part of the quest for a smokeless cigarette is widely known. After decades and hundreds of millions of dollars of research, American tobacco companies have thus far produced one dud and one prospect. The first was Premier, a $300 million mistake tested and quickly abandoned by RJR six years ago. The latest is Eclipse, unveiled by RJR in November. Like Premier, Eclipse has a special charcoal tip that, when lit, heats, instead of burns, the cigarette's innards. But Eclipse has mechanical changes that the company hopes will overcome the taste problems that doomed Premier.

Electric Evolution

If Philip Morris seems to have been a bystander to this quest, a review of a dozen patents filed with the library since 1990 proves otherwise. Indeed, company insiders say the electric-cigarette research has been evolving over 20 years.

Certainly, the Marlboro Man wouldn't recognize one of the patented devices. No matches are needed; smokers, by merely pressing their lips against the tip, send signals via tiny wires to minuscule battery-powered heaters. The cigarette responds with a burst of tobacco gases into the smoker's mouth – not into the air.

Insiders say a test of this device won't happen for at least two years, if ever, and it isn't clear which of numerous Philip Morris designs might be chosen. But a person knowledgeable about the project says the company is already considering foreign countries for a test, calling it "the most practical plan" because of regulatory issues in the U.S. Philip Morris officials declined to comment.

Smokeless Wonders

Among the other patents that take the smoke out of smoking, most are unlikely ever to reach the corner drugstore. Another RJR invention offers a variation on its pocket-sized power pack, in the form of a pipe. The battery sits cleverly hidden inside the stem. The smoker drops a disposable flavor cartridge into the bowl. RJR won't say what plans, if any, it has for its patents.

Swedish drug-maker Pharmacia AB has designed a mouthpiece with a sharp tip that, when jammed onto a cigarette-like tube, punctures a cartridge with nicotine inside. The company says it plans to introduce the device – which it will market as a smoking cessation product – worldwide within two years.

Even consumer-products giant Procter & Gamble Co. has joined the quest. In a 1988 patent, a smoker reaches for a nicotine pellet and drops it into a little hole on top of the "dosing device." Then the smoker sucks on a plastic tube, drawing the butt-end against a common AA battery. That sparks an electric circuit that warms the pellet and wafts nicotine vapor into the mouth.

Unfortunately, it didn't work perfectly. "Nicotine broke down at those temperatures," recalls Donald Gerth, a former P&G scientist who co-authored the patent. "The batteries made the device a little heavy for a cigarette substitute anyway." P&G won't comment on any development plans.

An inventor in Israel, Raphael Sahar, came up with a novel low-tech solution – though it's hard to picture rock stars waving it around at trendy parties. It's a bladder-shaped vessel that resembles a big turkey baster with an extra balloon on the side. The smoker shoves an ordinary cigarette into the device and holds it in his or her mouth while breathing in and out. The baster head catches the smoke curling off the butt; the balloon catches the exhaled smoke.

Then there's the "Iontophoretic Cigarette Substitute," patented in 1994 by Guilford, Conn., surgeon Julian Henley. He proposed coating the cigarette's mouthpiece in nicotine and driving it into the mucous membranes of the smoker's lips via electric current. An assistant professor at Yale Medical School, Dr. Henley says his unusual device could also help smokers quit. He even envisioned rigging it to give the smoker a noticeable jolt.

Dr. Henley said he is trying to interest big cigarette makers in his invention, but so far has gotten nowhere. "They said we're in the business of making cigarettes, not getting people off them."

Hazy Research

The Philip Morris project is so confidential the company sequesters its Richmond, Va., scientists in a special lab apart from the other researchers and has them under special orders not to talk shop with colleagues. Beginning in the 1970s, Philip Morris came up with a simple concept. Instead of igniting tobacco, why not draw out its flavor by heating it like a baked potato? They drew up plans for a tiny built-in heater powered by batteries.

In its simplest form, smoking the new cigarette was a drag. It contained 10 individually heated charges; each burst when the smoker inhaled. According to a 1991 patent, for every new puff, the smoker had to turn a little knob on the butt end of the cigarette to select a new heater and press on a little switch to turn it on – like a cowboy spinning the chamber of his six-shooter.

"Would anybody smoke this thing?" asks one former Philip Morris scientist who agreed to talk about the patent. So researchers came up with an internal switch that sensed when smokers were sucking and turned on the heater for them. But that led to other problems.

For one, it took a little time for the switch to go off, creating a "substantial" lag between inhaling and tasting the flavor, according to a 1993 patent. Little flavor at all came out if the smoker didn't drag long enough. And the cigarettes tended to go off when smokers waved them in their hands or talked with them hanging out of their mouths.

To fix those bugs, the Philip Morris team installed sensors on the mouth end of the cigarette to detect "user lip activity," according to the patent. Just before taking a drag, smokers unconsciously press their lips against the cigarette more firmly. The sensor feels the pressure and turns on the heater, via electric wires strung through the filter paper.

As a backup, the team also proposed using "microchip-mounted membrane electrodes" to pick up electrochemical activity in the smoker's lips. The team, the patents state, recommended using three or more different "sensor subsystems," to "reduce the likelihood of system misfire." Loath to waste all that hardware on a throwaway cigarette, Philip Morris tried splitting it into a reusable battery-powered butt with disposable mouthpieces. In another design, a smoker would recharge the cigarette between drags by plugging it into an ashtray with a power supply.

There was one big challenge with all these cigarettes: How can you tell when they are finished? In a 1992 patent, Philip Morris described a clever solution: A series of small dots, or a line running along the side of the cigarette, would change color puff by puff.

Philip Morris has apparently made further progress that isn't yet disclosed in its public filings, which can lag behind research by two years or more. "They have made serious advancements," says a person close to the company.

N.Y. Times; 2-5-95 p. 1 | Balt. Sun; 2-5-95

Tradition on the Wane: College Drinking

By WILLIAM CELIS 3d
Special to The New York Times

PHILADELPHIA, Feb. 3 — Not very long ago, Smokey Joe's, like a magnet, drew students to its horse shoe-shaped bar, with its wooden booths and photos of old University of Pennsylvania sports heroes. The beer flowed freely.

Students from Penn, Drexel University, St. Joseph's University and other colleges still come to the bar, but these days they are just as likely to order a Coke as a pitcher of Bud. Call it the age of moderation.

"Most people don't drink much," said Larry Brooks, a 20-year-old bartender at Smokey Joe's and a Penn junior from Miami. He says he drinks less now than he did when he was in high school. "There's definitely more moderation."

Students Are Abiding Wider Social Trend Away From Excess

Even though abusive drinking has been a focus of increased public attention and campus counseling because of its links with hazing injuries and date rapes, college officials and health experts who follow student drinking agree in several recent studies that the number of college-age drinkers has in fact been declining for two decades.

One in four students reported abstaining even from an occasional beer in 1971; today it is nearly half, according to a recent survey of more than 300,000 students nationwide by the University of California at Los Angeles. The average consumption for those who do drink regularly has dropped to about 13 drinks a week, down from 14.3 in 1982, according to another national study, with much of the overall decline attributed to light to moderate drinkers, who now have 6 drinks a week, down from 8.4.

Among the drinkers, however, binge drinking remains intractable, all the studies suggest, but it is not clear whether it is rising, declining or staying the same. There is evidence that binge

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drinking (usually defined as five or more drinks at one sitting) is up among women.

The main reason for the overall decline in drinking is a change in attitudes, according to dozens of interviews on campuses across the country in the last two weeks. Unlike their parents or even their older brothers and sisters, college students today do not automatically turn to alcohol on weekend evenings.

Today's freshmen have grown up with the tougher drunken driving laws and 21-year-old legal drinking ages enacted in the late 1970's and early 1980's. More are health conscious, and they're arranging alcohol-free events on weekends. Instead of bowling or bars, the latest Friday night sports are "human bowling," in which students squeeze inside giant balls, or pajama parties or, in the middle of winter, beach parties in the student union.

"It's just an increased awareness that drinking can become something hazardous not only to your health, but to your academic life, your studies, your relationships," said John Sanchez, a junior at New York University.

Dozens of students said binge drinking was a fringe activity. They said they still see classmates drinking every weekend, sometimes heavily, but even among fraternities, where drinking and initiation rites were once one and the same, restraint has become the rule.

"When I joined, the seniors here were of the mentality that, 'Hey, this is a frat and I have to go out and drink,' " said Michael Doyle, 21, who is a member of the Zeta Beta Tau fraternity at New York University. "Now, the freshmen coming in are not saying that. They're saying this is a place to get friends. Drinking is down on the list."

Binge drinking by a few remains intractable.

Students in the Northeast tend to drink more heavily than others, but drinking is reported down on campuses large and small, urban and rural, residential and commuter.

Since 1992, six states — Georgia, Massachusetts, Nebraska, New Hampshire, Ohio and Texas — have passed tougher laws that revoke driver's licenses of drinkers who fail or refuse to take an alcohol breath test, according to the Century Council, a Los Angeles-based nonprofit organization that has campaigned for the stricter laws.

Some experts believe that for once, students are following the drinking patterns of their parents, who are also drinking less.

In some cases, this sobriety is the result of experience, like that of Brett Sanders, a 20-year-old junior at the University of Virginia. Last year at the university, where students still talk about the January 1987 issue of Playboy magazine that ranked the university 10th on a list of the nation's party schools, Mr. Sanders received a misdemeanor conviction for trespassing after he leaped onto a moving car while drunk. A physics major from Nashville, he said he has cut back as a result.

"You throw down a lot of beer and things happen," he said. "During first year, it's a let-loose kind of thing, when you get away from your parents."

But for others, there are religious and cultural reasons not to drink. At Wayne State, many black students follow Muslim tenets, and the college has a number of Arabic Muslim students. Eddie B. Allen, a 21-year-old recent journalism graduate who is an admirer of Malcolm X, said, "I don't drink, and I don't tend to be around people when they do."

And, as the average age of college students has risen — more than half are now over 24 years old — so have their responsibilities. Alice Laster-Rhein, a 31-year-old speech therapist working on a journalism degree, said she was too busy to drink socially. "Now, I have two jobs and a husband I am putting through graduate school," she said. "If any of my fellow students drink, I would probably be the last to know."

Many students said they did not like drinking because they associated it with losing control. "Sometimes, you'll come in at 3 in the morning and you'll see someone passed out in the lobby," said Nicole Culmer, an 18-year-old sophomore from Philadelphia who lives in a dormitory at New York University.

At the University of California at Los Angeles, for example, Lola Belsito, a 25-year-old senior majoring in history, said she believed that drinking had decreased because campus fraternities — which have long been the sources of heavy drinking —

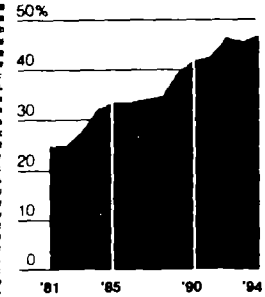
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STATUS REPORT

Drinking on College Campuses

MORE STUDENTS ABSTAIN . . .

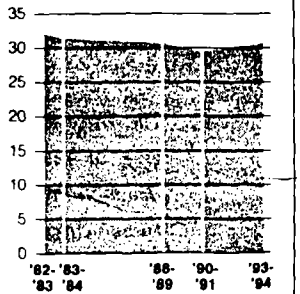
Percentage of college freshmen who said they did not drink beer in the past year.



Source: Higher Education Research Institution at the University of California at Los Angeles. 1994 statistics based on 238,000 questionnaires distributed at 460 colleges and universities nationwide

. . . BUT BINGES ARE CONSTANT

Average number of drinks consumed a week by students who classified themselves as "heavy drinkers."



Sources: State University of New York at Potsdam and Indiana University, based on anonymous surveys on more than 30,000 students



Keith Meyers/The New York Times

Even at Smokey Joe's, a college bar in Philadelphia, bartenders see a slowdown in drinking. Christopher Wilks and Maria Elena Remy, who attend the University of Pennsylvania, visited the bar last month.

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An overall change in social attitudes toward alcohol abuse is occurring.

were following the trend of other students, particularly after widespread negative publicity about alcohol poisoning during hazing.

"But basically, I think it is so much harder to go to school right now that the pressure to succeed pushes people away from social activities like drinking," she said. "People are still slackers relative to working people, but their interests seem to be more about what classes they are taking than what they will do on the weekend."

Just how much alcohol is consumed by today's college students has been the subject of several studies. In June, a report issued by the Center for Addiction and Substance Abuse at Columbia University, indicated that about a third of all college women had said they drank to get drunk (though the study did not say how frequently this occurred). This is triple the number who reported such drinking 10 years ago and is comparable to rates of abusive drinking reported by men.

But other studies last year, by researchers at the State University of New York in Potsdam and Indiana University and the University of California at Los Angeles, reported slow but steady declines in drinking levels by all students.

Some researchers and college administrators now say that the Center's report overstated the problem and that student drinking has declined for two decades.

"If the problem of women drinking had risen 300 percent over 15 years other studies would have picked that up," said Dr. David Hanson, a professor of sociology at the State University of New York at Potsdam, who with Dr. Ruth Engs produced a study last year that confirmed other studies documenting declines in student drinking.

For its part, researchers at the Center on Alcohol and Substance Abuse, defended its findings. "The bottom line is that honest researchers can fight over the numbers," said Jeffrey Merrill, vice president of the center and a professor of public health policy at Columbia.

But, he said, even if alcohol consumption has declined over all, it is still a problem for college administrators, fellow students and parents. After the release of the center's report last summer, Mr. Merrill said the center was deluged with letters and telephone calls from college administrators and others concurring with the results of their work.

"The issue is that there is qualitatively a problem," Mr. Merrill said, "and you would be hard pressed to talk to college presidents who say that it isn't."

Studies are based on large pools of anonymous responses, and while individuals may misstate their own consumption, there is evidence that the misstatements are consistent over time, so all other factors being equal, such studies are generally regarded as reliable.

These studies indicate that there is a group of students who are the heaviest drinkers and remain the most immune to education programs. "Researchers are using different samples and different methodology, but everyone is coming to the same conclusions," Dr. Hanson said. "There is that core of heavy drinkers that have been stubbornly stable. Not all the news is good."

And increasingly, students themselves are applying peer pressure against abusive drinking, citing revulsion at the problems left by those who do drink too much, not only the noise of the parties and the smelly dorms on the mornings after, but also the health problems like alcohol poisoning and the sexual crimes sometimes associated with excessive drinking. This has made them less tolerant, according to a study by the University of Michigan.

"I don't see the need to drink," said Sharon Salamon, a 19-year-old sophomore at New York University. "I don't find it necessary. Besides, when everybody else starts hurling, who's going to hold their heads?"

On her campus, she said, there is more social drinking than drinking to get drunk. "People will sip the same beers for hours," she said.

N.Y. Times; 2-5-95

Implant Suit Brings Verdict Of $6 Million

BIRMINGHAM, Ala., Feb. 4 (AP) — A woman who had to undergo three operations to have silicone removed from her body after her breast implants ruptured has been awarded $6 million in her lawsuit against the implants' manufacturer.

The woman, Brenda Toole, received the silicone-filled implants in 1981. They ruptured eight years later, sending the compound drifting throughout her body. During trial of her suit, in Federal District Court here, doctors testified that potentially cancerous lumps had developed around her breasts and that her immune system had been damaged.

The suit by Mrs. Toole, who is now 43 years old and lives in Atlanta, sought $13 million from the Baxter Healthcare Corporation, which bought the implant maker, Heyer-Schulte, in 1986. The jury deliberated for two days before returning on Friday with an award less than half that amount: $2.5 million in compensatory damages and $3.5 million in punitive damages.

Still, the award was far greater than one Mrs. Toole received in an earlier trial of her suit. That judgment, in 1993, was for $2.2 million, but it was set aside by a Federal appeals court, which held that a Food and Drug Administration report critical of implants should not have been allowed as evidence.

Mrs. Toole's lawsuit was one of thousands of breast-implant suits around the country that were consolidated in the Federal court of Judge Sam Pointer here in 1992. Many of the cases have been included in a $4.2 billion settlement with implant makers. But hundreds of women, including Mrs. Toole, decided to have their cases tried separately.

Lawyers for Baxter Healthcare, based in Deerfield, Ill., declined to comment after the award to her was announced on Friday.



GARO LACHINIAN/SUN STAFF PHOTO

Sickle cell patient John Paul said that after a visit to an emergency room at age 14, "The doctor thought I was being phony."

Balt. Sun; 2-6-95 p. 1

Hurting victims hopeful over new sickle cell drug

Lengthy research bonds patients, doctors

By Diana K. Sugg
Sun Staff Writer

Only Dr. Samuel Charache knows precisely where to place the needle. He can't put it in the arms of his sickle-cell patients. Long ago, their veins collapsed, punctured too many times.

To draw blood from John Paul, Dr. Charache deftly locates the place on the man's right index finger — on the knuckle. To draw blood from William Thorn Jr., the doctor pierces the outside of his thumb.

Dr. Charache, 65, knows these two patients almost as well as family. Out of this close relationship — 28 years in Mr. Paul's case — has grown a research effort that culminated last week in the announcement of an effective treatment for severe sickle cell anemia.

> *"I was at my wit's end and almost suicidal."*
>
> **WILLIAM THORN JR.**
> **Sickle cell anemia patient**

Appearing with Dr. George Dover, his collaborator, Dr. Charache said the drug hydroxyurea cuts in half the painful attacks, hospitalizations, and transfusions endured by victims such as Mr. Paul and Mr. Thorn.

Dr. Charache has treated the men in the middle of the night and diligently answered their phone calls. In turn, they have given their blood and cooperated with drug research. Each considers Dr. Charache a close friend.

"They were sick. They were hoping something would work. But all they had really was the trust between them and Sam," said Dr. Dover, 48, a pediatrician. Through his research with Dr. Charache at the Johns Hopkins University School of Medicine, he, too, has grown close to Mr. Paul and Mr. Thorn.

For the four men, the breakthrough in treating the genetic disease is almost too good to be true. At a news conference, they smiled at one another but seemed reluctant to celebrate.

The doctors cautioned that hydroxyurea is not a cure, and that it is unclear if the drug will give patients — who usually die in their 40s — longer lives.

Mr. Thorn, 57, and Mr. Paul, 42, were among the first in the world to begin taking hydroxyurea 12 years ago.

"You just don't want to jinx it," Mr. Paul said. "Maybe if you start talking about it, you'll start getting sick again."

Sickle cell anemia is a blood disease that cripples and shortens the lives of about 150 of every 100,000 African-Americans. In Africa, the toll is much greater.

Inside a victim's red blood cells, molecules knock together and eventually bond. That makes the cells rigid, so they can't squeeze through tiny blood vessels and deliver oxygen. Deprived of oxygen, tissues die and organs are damaged.

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SICKLE: Drug brings ravaged patients hope

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Because hydroxyurea appears to hamper this process, a U.S. clinical trial has been stopped four months early so the drug can be made widely available.

The trial's early end has left Dr. Charache and Dr. Dover, the lead investigators, uncomfortable.

"Suppose we did make some . . . fool mistake, then it's our fault," said Dr. Charache, a hematologist whose work in the disease at Hopkins has earned him the nickname "Sickle Sam."

The doctors agonize that despite the statisticians, investigators and oversight panels, they might have been off in the calculations. Maybe their enthusiasm hurt their objectivity, Dr. Dover said. Both work more than 12 hours a day, six days a week.

"We have a credibility that we cherish. We have a name — Hopkins — that has not been questioned," said Dr. Dover. "But we have to balance that against our responsibility to patients."

Damage was unseen

Despite the discovery of the gene that causes sickle cell anemia in 1950, medical science has made scant progress in stopping the suffering. With no effective treatment, all victims could do when the disease flared up was go to emergency departments. There, skeptical physicians were often reluctant to give pain medicine because the damage felt by the patients couldn't be seen.

"The doctor thought I was being phony," said Mr. Paul, recalling the night he was sent home three times from an emergency room. He was 14, and in so much pain that he was ready to jump off the Lafayette Street bridge. Panicked, his mother made several phone calls that led her to Dr. Charache.

"He believed what I was telling him," Mr. Paul said.

Mr. Thorn also had been ravaged by the disease when he found his way to Hopkins in 1983. He had suffered strokes, a hip and knee were being destroyed and pain medication disoriented him.

"I was at my wit's end and almost suicidal," Mr. Thorn said.

Both men had come to the right place.

As far back as 1922, when a resident physician named the disease "sickle cell anemia," Hopkins has been at the forefront of sickle cell research. Some of the original genetic studies were done there.

In the early 1960s, Hopkins physicians found a woman who provided a major clue in stopping the cells from becoming rigid, which causes the damage from the disease. She had tested positive for sickle cell anemia, but she had none of its effects. Researchers around the country were studying similar cases and came to realize these people had fetal hemoglobin — a part of the blood usually present only in infants and that it was somehow preventing the cells from becoming rigid.

Dr. Charache, who had worked at the National Cancer Institute and the Hospital of the University of Pennsylvania, arrived at Hopkins around this time. He and others tested several drugs in futile efforts to trigger production of fetal hemoglobin. Some caused side effects such as seizures.

Dr. Dover came to Hopkins in the early 1970s to train as a pediatrician. But frequently, he found himself telling parents of children with sickle cell that the children would suffer sudden painful attacks, like someone was repeatedly striking them with a hammer. Even worse, there was nothing anyone could do.

By the early 1980s, Drs. Charache and Dover were collaborating and had hopes for a drug that suppresses cell growth, speculating that it might hinder the "sickling" process. Mr. Paul and Mr. Thorn volunteered to try the drug, 5-Azacytidine. But there was little change in their conditions — and an outcry from scientists who thought it was unsafe.

Then Dr. Dover's former mentor at Harvard University School of Medicine suggested a similar drug that had a safer record. The drug, which had been used in the treatment of cancer and a rare blood disease, was hydroxyurea. The two tested it on a patient in Massachusetts. The results surfaced on a Friday afternoon on a Labor Day weekend.



AMY DEPUTY/SUN STAFF PHOTO

Dr. Samuel Charache of the Johns Hopkins University School of Medicine has treated one of his sickle cell patients for 28 years.

"I broke the code, and I knew it worked. But I couldn't reach anybody, because they were all at Cape Cod," Dr. Dover said. "For three days, I was the only one in the world who knew it worked."

Through precise testing methods Dr. Dover had developed, he could measure if fetal hemoglobin was being produced and how much. But it wasn't clear if the changes would translate into fewer attacks in people like Mr. Paul and Mr. Thorn.

Attacks decreased

The men agreed to try hydroxyurea. Over a few years, the drug began to help them. Attacks were farther apart and were less excruciating. Spending more time out of the hospital, they began to gain control over their lives.

To scientifically prove what the two men were experiencing, Drs. Charache and Dover wanted a large, controlled study with one group taking the drug and another taking a placebo. But the National Institutes of Health turned down their grant proposal in 1989. Among other points, reviewers said the drug couldn't induce enough fetal hemoglobin production to matter.

"We both pretty much threw our hands up," Dr. Dover said. But they didn't give up. Being physicians as well as researchers, they saw too many patients suffering.

"I've been in pain so bad where I could actually see tears in this man's eyes because he understood the pain I was going through," said Mr. Paul, whose brother died of the disease and whose cousin is on his fifth hip replacement because of it. "I could see Dr. Charache getting exasperated because nothing was helping."

Finally, a national study of sickle cell patients indicated that even a small percentage increase in fetal hemoglobin could help. Drs. Charache and Dover reapplied, got the grant and started their national study in 1991. And in December, the weight of evidence was clear.

Adults with severe sickle-cell disease will now begin taking daily doses of hydroxyurea pills. Still unknown are long-term side effects. Also, studies have begun to determine if the drug will be safe for children.

All the while, the physicians didn't say much about their struggle in the lab to Mr. Thorn and Mr. Paul.

"I always got a sense that eventually, we were going to find it, that eventually, it would be all right," Mr. Thorn said.

Mr. Paul has had the same feeling. At 19, he woke up after surgeons removed his spleen, appendix and gall bladder, all damaged by sickle cell. Things were hazy.

"I opened my eyes, and Dr. Charache was smiling down at me. He said, 'You're going to be all right, kid.' I just faded on back to sleep."

Editorials & Op-Ed

Wash. Post; 2-5-95

The Looming Budget

THE PRESIDENT'S budget hasn't even been submitted yet, and already it is being criticized as inadequate. The critics, mostly Republicans, say it wouldn't reduce the deficit enough, and they're right. But it isn't clear the critics are likely to do any better.

First for the Democrats. Stories over the weekend made it all too plain how a large part of the deliberations worked: For political reasons, the White House rejected the sound economic advice it had been getting from the Office of Management and Budget—and acting on—and defensively moved in the opposite direction. We await the final opus and the explanations of its details. But it does seem to be already pretty clear that in terms of crucial deficit reduction, the Clinton budget would be *at best* a wash. The president evidently mounts no assault on the major entitlements that are the spending engines in the budget, and he has chosen—wrongly—to try to compete with the Republicans by offering not a sit-down dinner but some finger food in the form of middle-class tax cuts. The tax cuts represent revenue that a government accumulating debt at the rate of $1 trillion a presidential term can't afford to give up, and it's nearly all the president can do to find the spending cuts to pay for them. The rest of the budget will consist of mostly minor increases offset by minor cuts. The best that can be said for it is that the rise in health care costs is also offset and doesn't add to the deficit in the short term. It bids to be a great disappointment and, in our view, a mistake.

But the alternative? It's worse. The Republicans say that they're in favor of a balanced budget but offer only the rickety constitutional amendment that they're trying to push through Congress as proof. They themselves propose to start down the path to a balanced budget with a tax cut considerably larger than they have acknowledged. The staff of the Joint Committee on Taxation estimated last week that the revenue loss would be almost $196 billion over five years, but that is a deceptive figure because the tax cuts are back loaded. A better indicator is that in the fifth year alone, the figure is $69 billion, and even that understates the ultimate effect.

They would offset these tax cuts and go on to balance the budget with spending cuts, they say, but so far they have agreed to list only the spending they won't cut—Social Security, defense and interest on the debt, which together make up a little more than half the budget. To achieve their goals they would have to cut projected spending on all other programs by about a third. The largest (about another sixth of total spending) and fastest-growing of these are the health care programs, Medicare for the elderly and disabled and Medicaid for the poor. Last week some leading Republicans did begin to talk about "rethinking" these, which is encouraging, but they haven't come close to saying how much they would cut or at whose expense. They have struggled as well to assure the governors and mayors that they would be held relatively harmless in the process—wouldn't find themselves having to bear huge new burdens without the funds to match. But state and local aid (counting Medicaid) is also a sixth of the budget and a third of what the Republicans have left as the cuttable part.

The country was told in 1981 that it was possible to cut taxes but balance the budget by cutting domestic spending. The spending cuts were never found, and the national debt quadrupled. The Republicans now in control of Congress say it's not going to happen again, that this time, among much else that has changed, the country is readier to accept the necessary cuts, and they have the power to enact them. Maybe so. But if that's the case, instead of beginning by making a show of amending the Constitution while cutting taxes, why don't they just begin by cutting spending? The Clinton administration, with its watery version of Republican new politics, should heed the same lesson. For the sake of future generations, the federal government—meaning the executive and legislative branches working together—should cut the deficit, then cut taxes, not the other way around.

Today's debate: CUTTING THE BUDGET

USA Today; 2-6-95

Beware of budget myths; cutting isn't that easy

OUR VIEW **Slashing popular targets like welfare and foreign aid won't be enough to bring the deficit under control.**

What's in President Clinton's $1.6 trillion budget for 1996, out today?

A lot less cost than many Americans think for some often-maligned programs.

Try this little test about budget myths:

Question 1: How much of the federal budget will be spent to aid foreign nations?

a) 18%, b) 8%, c) neither.

Answer: If you picked "a," you matched the average estimate of respondents to a recent University of Maryland poll. If you picked "b," you matched what those respondents thought government should spend. But both answers are wrong.

The right answer is "c." Uncle Sam now spends less than 1% of the budget — about $14 billion — on foreign aid. Half goes for security assistance. Only about $6.5 billion — $26 a year from every American — goes for humanitarian and development help. Not much for a rich nation trying to help billions who are less fortunate.

Don't be embarrassed by a wrong answer. Senate Foreign Relations Committee Chairman Jesse Helms, R-N.C., is in the same boat. He said last fall the U.S. "has spent an estimated $2 trillion of the American taxpayers' money" on foreign aid." The actual figure since 1961 is $250 billion.

Question 2: About how much of the federal budget will go to welfare next year?

a) 15%, b) less than 10%, c) neither.

Answer: Much depends on how you define welfare. Many welfare critics include everything from Medicaid to unemployment insurance. If every benefit is welfare, "a" is right; about 15% — $230 billion — will be spent. But take out Medicaid, and only about 8% of the budget is spent on welfare. Count only income support and child nutrition, and only 6% of the budget is for welfare.

In any case, the amount spent on welfare is below the 22% of the budget that will go for Social Security, or the 16% each for defense and for interest payments to those who bought debt the government has been running up rapidly with deficit spending.

And that brings us to:

Question 3: How big is the deficit?

a) $196 billion, b) $300 billion, c) both.

Answer: Both. The official deficit in 1996 will be $196 billion, meaning the government will spend nearly $800 more for every American than it collects. But that conveniently ignores the fact that Social Security and other federal trust funds are used to mask an additional $100 billion in deficit spending. Future Social Security beneficiaries shouldn't like that. It means the money they're paying today in Social Security taxes isn't getting set aside as promised.

All these myths suggest a hard truth — balancing the budget won't be as easy as cutting foreign aid and welfare. And that makes talk of tax cuts by both Clinton and Congress out of touch with reality.

USA Today; 2-6-95

Cut this spending anyway

OPPOSING VIEW **The issue isn't public misperception; the public sees clearly these programs are bad.**

By Doug Bandow

One of the favorite arguments used by interest groups opposed to cuts in their programs is that the money is inconsequential. Why target the National Endowment for the Arts, for example, just because it subsidizes pornographic "art"? The money saved won't balance the budget.

The same contention is heard with regard to foreign aid and welfare. They aren't nearly as big as the public thinks, so why focus on them?

It's true that the biggest budget busters are Social Security, Medicare and the Pentagon. So what? All of these deserve to be cut. But that doesn't mean smaller programs should escape the ax.

Consider foreign assistance, between $12 billion and $18 billion, depending upon how you define it. That may be pocket change compared to the deficit, but it represents the collective earnings of as many as 490,000 U.S. families. Surely Uncle Sam needs a better reason for squandering their money than the fact that it is only a small part of the deficit.

Indeed, the public rightly dislikes foreign aid because its record has been dismal. Money has been stolen and wasted; many recipients of U.S. largess are worse off after decades on the international dole. In fact, foreign "aid" has often hurt, subsidizing the worst authoritarian and collectivist regimes.

Similar is the case against welfare. This category of programs is much more costly than foreign aid, but it remains less expensive than Social Security. Again, however, so what?

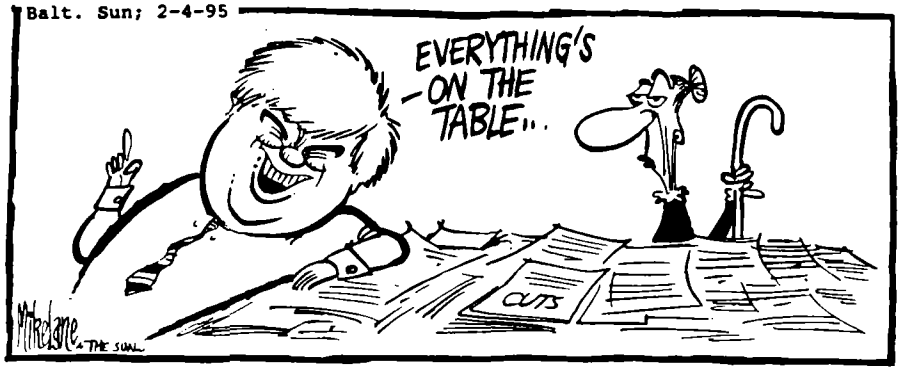
Public officials have no right to divest workers of their earnings only to toss the money to the wind. In the case of welfare, initiatives intended to assist the poor have backfired, undermining families, promoting illegitimacy and fostering dependency.

In short, the worst problem with welfare is not that it is wasted and abused, though it is, but that it hurts the most vulnerable members of society. For this reason alone it should be targeted by lawmakers.

Obviously we will be better off if citizens understand the true dimensions of the budget problem. But no program, least of all these, should be exempt from scrutiny, cutting or elimination — however small it may seem to editorial writers who've never met a tax they didn't like.

Doug Bandow, formerly a special assistant to President Ronald Reagan, is a senior fellow at the Cato Institute in Washington. His latest book is The Politics of Envy: Statism as Theology.

Balt. Sun; 2-4-95





Wash. Times; 2-5-95

Balanced budget show and tell

PHILIP TERZIAN

The Senate debate on the balanced budget amendment is instructive, in its way. The amendment was part of the "Contract With America," and so it has passed the House. Now Republicans in the Senate, who proceed at a somewhat more leisurely pace than their colleagues across the Capitol, have put it at the top of their legislative agenda. A simple majority, however, will not do for a constitutional amendment, so Democrats need to be brought into the fold.

Theoretically, at least, this should not be difficult. Last year, when the measure was narrowly defeated, it was sponsored by Sen. Paul Simon, Illinois Democrat, and supported by several of his Democratic colleagues, including Tom Daschle of South Dakota. But that was then. Now Mr. Daschle is minority leader, and has taken up the slogan of innumerable fellow Democrats: They will not support such a measure, they say, unless and until the Republicans are specific about what they will cut in any federal budget to reduce the deficit.

This is one way of saying that once Congress is determined to balance the budget by reducing the deficit, it cannot do so without touching such sacrosanct elements as Medicare, Medicaid, Social Security, veterans' benefits and the like. This may very well be true. No one believes that cutting "waste, fraud and abuse," while desirable, would be sufficient; and while taxes may be lowered, and the economy excited, the deficit will still, in all likelihood, remain. Someday, someone must bring up these entitlements and, in congressional parlance, put them on the table. The Democrats think they have a potent argument.

Yet, there is a certain hypocrisy in all this. For while the Democrats insist that a detailed preview of spending cuts is not just desirable but imperative, no such requirement obtained when Social Security, Medicare and Medicaid were invented. Any resemblance between the Social Security behometh and what Franklin Roosevelt had in mind is purely coincidental. And in the early 1960s, when Medicare was debated, the doomsday fiscal prophecies of right-wing economists, Republican senators and the American Medical Association were smilingly brushed aside. Now, of course, we know their estimates were actually understated.

That may explain why the Democrats have, for the moment, hidden their concerns behind the plain obstructionist tactics of Sen. Robert Byrd of West Virginia. Mr. Byrd is admirably candid about his motives: He intends, by whatever legislative hook or crook he can muster, to talk the amendment to death — just as he maneuvered last year's bill into oblivion. It is unlikely that Tom Daschle sees much merit in Mr. Byrd's arguments, but from a tactical point of view, Mr. Byrd is doing the Lord's work for the moment.

Like many self-educated men, especially one whose resume includes a stint in the Ku Klux Klan, Mr. Byrd wears his hard-won learning on his sleeve: His reverence for the Senate, expressed in song and story, is exceeded only by his daily allusions to the Roman Senate. The powder-blue suits he favors are not quite the same as a Roman statesman's toga, but Mr. Byrd tries hard enough. The problem is his message. Mr. Byrd has far less reverence for the Constitution than he has for the things a Constitution without a balanced budget amendment has brought to West Virginia: Endlessly widened roads, redundant dams, relocated federal agencies, buildings and bridges named for Robert Byrd.

For all his legislative skills, Mr. Byrd's methods won't prevail. That is because the balanced budget amendment, despite its imperfections and murky possibilities, has become politically necessary. Americans want low taxes, limited government and unlimited federal entitlements. Yet, for reasons of prudence and survival, few politicians are willing to tell them that they cannot have all three. The Republicans would probably be prepared to cut entitlements, or at least subject them to some rational controls; but at this historic juncture, they will not say so publicly. The Democrats are anxious to pretend that they oppose high taxes and a burgeoning federal government, but it remains an article of their partisan faith that governance consists of ever-increasing horizons of entitlement.

Sad to say, only a balanced budget amendment would break the deadlock, and motivate Congress to do what it must. This is not to say the amendment is guaranteed: In the 1980s, Congress happily circumvented the Gramm-Rudman balanced-budget law; and what are the sanctions if Congress contrives to leave the budget unbalanced?

This is a novel problem in our history, since (except in wartime) most budgets were balanced until the 1970s. Only in an age when the federal government intrudes on most aspects of national life does the budget seem to fly out of everyone's control. It's a problem the Roman Senate never suffered, and Robert Byrd's gaseous oration only aggravates.

Philip Terzian writes a column from Washington for the Providence (R.I.) Journal.



SPENDAHOLICS ANONYMOUS SOLUTION #114:
BALANCED BUDGET AMENDMENT STRAITJACKET

L.A. Times; 2-5-95

Giving People Hope—And a Reason to Work

Clinton throws minimum wage into welfare reform pot

President Clinton won't be sending welfare reform legislation to Capitol Hill to replace the plan that stalled last year. He will allow House Republicans to take the lead. That's wise: A new Administration plan probably wouldn't stand much of a chance anyway in Congress, where the Republicans have the floor, and the podium, now.

However, Clinton is not shying away from a fight on the minimum wage. He is linking welfare reform with a boost in the buying power of the working poor. "If we are serious about welfare reform," the President said Friday, "then we have a clear obligation to make work attractive and to reward people who are willing to work hard." It's a strong argument.

Clinton proposes raising the current minimum wage from $4.25 an hour to $5.15 over two years. Leaving aside the issue of the amount, it is the gradual phase-in that's key: Opponents argue that raising the minimum wage is a formula for unemployment, especially among young people; however, a gradual phase-in would enable policy-makers to monitor the effect of marginal minimum wage increases on joblessness. There are studies that support either side in this question.

Congressional Republicans, few of whom favor an increase, stress the threat of lost jobs. Interestingly, California's Republican governor, Pete Wilson, has not yet taken a position. He may be persuaded to back the increase because a hike is consistent with his long-held emphasis on the value of work, which is outlined today by his Social Services Department director, Eloise Anderson, in the Times Interview on the preceding page. The powerful argument here is that unless America makes working economically advantageous, the motivation to get off the dole will be insufficient.

THE REPUBLICAN PLAN: Now on the table in Washington is the GOP's proposed Personal Responsibility Act. The debate over it will be conducted under the leadership of Rep. E. Clay Shaw Jr. (R-Fla.), whose subcommittee's hearings on the measure ended Friday. The bill should build on the elements of reform that have attracted bipartisan support. These include that welfare be temporary; that work be encouraged; that out-of-wedlock births, particularly among teen-agers, be strongly discouraged; that fathers provide for their children.

The legislation would give control of Aid to Families with Dependent Children to the states. Governors, freed from federal mandates, would craft their own welfare programs with funds provided by federal block grants. With this flexibility, innovative governors could produce reforms that work in their states. Of course some governors might be tempted to spend the block-grant funds for other purposes, siphoning off the money that provides the great American social safety net.

The GOP also would freeze block grants at current levels. That provision would hurt recession-hit states like California that now have bloated welfare rolls. If a state's welfare population grew in hard times, most governors, loath to raise taxes during an economic downturn, would cut benefits. That could hurt poor children more than anyone else. Where's the public policy imagination? Let's reduce welfare costs by pressing to increase child support from absentee fathers. Establishing paternity is the obvious first step.

THE WILSON APPROACH: Some poor fathers and mothers want to support their children but lack the skills to get a job and keep it. On that score, Washington Republicans can learn something from Gov. Wilson. His Administration has increased funding for the state workfare program. Greater Avenues to Independence (GAIN) now provides training—and transition from welfare check to paycheck. It works.

Welfare reform, a political rallying cry for years now, has to become more than a slogan. Millions of real people, most of them children, will be deeply affected when welfare is changed. Their parents will be required to work, often at the minimum wage. Congress has to get going, and get it right.

Wall St. Jrnl.; 2-3-95

Even Newt Can't Save Us

By Don Eberly

Though Congress is now engaged in an exciting and potentially radical effort to restructure federal social programs, America's problems are not mostly about political and economic maladjustment. They will not be solved by merely altering the economic and social policies dictated from Washington.

The danger of political crusades is the myth of majoritarianism—making too much of the fact that we've got the votes, we've got the power, we've got the plan. The mistake of the Democratic majority was believing it could create the good society by merely building government up; the danger for the Republican majority may be believing it can recreate the good society by merely tearing government down.

Creating a good society, rather, means mobilizing American leaders and citizens from all walks of life to renew every sector of society.

First of all, we must stop believing that our problems came about solely by the rise of the welfare state. Almost one child in three in the U.S. is born out of wedlock, and more than half of all American children will spend some time before age 18 living without their biological fathers present. In 1990, the last year for which such figures are available, one adult American in 40 was under correctional supervision—meaning probation, parole or prison. Wrong-headed government policies—including the rise of the welfare state—are simply not capable, by themselves, of producing this scale of abandonment of marriage and family or this scale of criminality.

Man and His Obligations

To restore civil society, we need to go back to an earlier way of thinking about social problems. The debate throughout earlier American history was about the deeper nature of things: man and his obligations. But in the 20th century this has all been pushed aside by modernity. Now we have debates about impersonal structures—namely about the government and about the market. Many conservatives as well as liberals talk in cold, rational terms about the programs of government or market systems, improved incentives and GNP growth rates that are allegedly the true indicators of national well-being.

BEYOND SOCIAL POLICY

The 20th century has traded in moral man for economic and psychological man, subjecting him at every turn to either economic inducements or therapeutic treatments. If we are to recover as a society, the 21st century will have to recover a vision of man bearing inherent moral value and moral agency.

The weakening of civil society is traceable to cultural and philosophical movements that have yet to be defeated. P.A. Sorokin, who wrote "The Crisis of Our Age" in 1941, identified as the central self-contradiction of our century the culture's simultaneous glorification and debasement of man. This, he said, was rooted in the replacement of a culture founded on a belief in God with a culture that saw value only in things we can perceive through our senses.

The result is today's earthbound, secular, utilitarian value system, which the Founding Fathers would never have considered sufficient to sustain a republican system of government, dependent as it is upon the maintenance of virtue. The impact of this is felt across the whole of modern culture and society.

A country in which there is no transcendent foundation for law, politics, economics and society is a disordered and potentially dangerous place. If utilitarianism, not religious and ethical values, guides our conduct, then might makes right.

In the policy and management sciences, this philosophy produced a wholly mechanistic and material view of man. If man is little more than an electron-proton complex, he is endlessly malleable. So we subject him to endless calibrations by experts, and assume society can be reborn if we simply discover the right technique and put our earnest minds to it. The entire central, top-down, rule-driven administrative state designed on this premise is now being thrown off, not simply because of its grotesque inefficiencies, but because it miniaturizes man. In ethics, a system based on sensation regards sensory happiness, pleasure and comfort as the supreme value. The result is moral relativism and cultural nihilism.

The 20th century has traded in moral man for economic and psychological man. If we are to recover as a society, the 21st century will have to recover a vision of man bearing inherent moral value and moral agency.

Tocqueville identified as the genius of America the tendency to join voluntary associations and as the greatest long-term worry egoism, which encourages each person to live apart, "a stranger to the fate of the rest." He worried that this form of individualism, combined with the rise of the mass society, would yield to the pervasive bureaucratic state against which we now revolt.

Man, he warned, would yield sovereignty to an "immense and tutelary power . . . absolute, minute, regular, provident and mild." This power does not destroy or even tyrannize, as much as it enervates and stupefies a people, reducing them to "nothing better than a flock of timid and industrious animals."

Our politics today reinforces a vision of society inhabited by unencumbered private individuals, pampered with promises, fortified with multiplying legal rights, and awash in consumer choices, yet paradoxically more subject than citizen.

Democracy is not simply for the politician and parties, nor is it simply about the individual's franchise and having access to a responsive political process. It is about democratic disposition, habit and outlook, which is either nourished or starved.

As a first step toward renewing civil society, let's stop referring to citizens as voters. Voting is the smallest and easiest part of being a citizen, and perhaps the least consequential. A society in which vast numbers of people vote, whether through today's ballot box or tomorrow's cyber democracy, yet in which they lack the disposition for democratic society—are defiant of social norms and are intent chiefly on gratifying their own wants—will be just as disordered as the one in which few bother to vote.

The renewal of politics must consist of more than simply empowering individuals; it must habituate them into the democratic ideal and spirit—one of respect and responsibility. If what we want is a well-ordered society inhabited with strong, independent, self-governing citizens, then we must ask where these things come from. The very definition of the good society is one in which large majorities of adults are citizens, capable of self-governance and prepared to display regard for others.

We must ask ourselves again and again: Where do empathy, character and self-restraint come from? The primary seedbed of civil society and virtue is the family. This is the toughest truth of all, but our refusal to grasp it results in extraordinary hardship for America's children and injury to society.

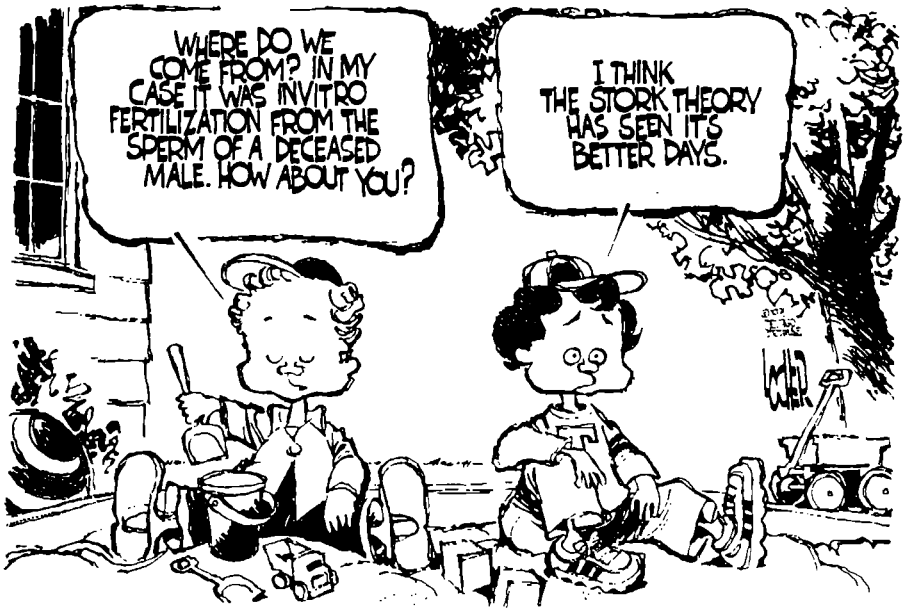
Dynamic Social Movements

What is needed to save families, make neighborhoods friendly and safe, and restore lost virtues are dynamic social movements such as have come along periodically in history. The 19th century witnessed an explosion of voluntary associations and societies aimed at social reform and moral uplift. There were spiritual awakenings, temperance movements, private charity campaigns and children's aid societies. For the churched there was Sunday school; for the unchurched there were YMCAs and vigorous character education programs in the public schools.

Civil society is about a human order that is larger and richer than the state, one that the state is better at destroying than renewing. The good society cannot be doled out like just another entitlement, it cannot be pieced together through program reforms, or stimulated into existence by more tax cuts. It must be achieved through the cooperative efforts of individual Americans.

Mr. Eberly is founder of the National Fatherhood Initiative and editor of "Building a Community of Citizens" (University Press of America, 1994).

Chgo. Trib.; 2-2-95



Wash. Times; 2-6-95

Dr. Foster's nomination

The Clinton administration can't seem to get it right when it comes to the issue of choosing a qualified surgeon general. Dr. Henry W. Foster Jr., the Nashville obstetrician/gynecologist who President Clinton named on Thursday as his surgeon general nominee, appears to have solid medical credentials, but his work and philosophy in the area of adolescent pregnancy and sex education are troubling.

Dr. Foster's work with Planned Parenthood and the health-promotion initiatives he began in two Nashville housing projects advocate abortion, condom distribution to teens and sex education programs that are far outside the mainstream.

The surgeon general has little bureaucratic power, but he is the preacher in the bully pulpit on matters involving public health. Dr. Foster said that, if confirmed, he would focus on cutting the teen pregnancy rate, now at 2,800 a day, and focus on the issue of abstinence.

The trouble is, on this issue, Dr. Foster doesn't appear to be much different from Dr. Joycelyn Elders, the outspoken surgeon general who was fired in December after a series of statements about such matters as the possible merits of legalizing drugs and the benefits of teaching masturbation in public schools.

The major public health issues facing our country—teen pregnancy, the declining numbers of two-parent families, AIDS and sexually transmitted diseases — are all connected to unplanned children and the decline in moral values.

What the Clinton administration fails to understand is that a major ailment needs drastic medicine. We need a surgeon general who can speak forcefully and confront the problems head-on, not one who speaks from both sides of his pulpit.

In the fight against out-of-wedlock births and family values, we need a surgeon general to speak in clear, concise tones of right and wrong about how to strengthen the family unit and the best way to guide our youths to be productive citizens. We already have too many advocates who say don't do it, but be safe if you do and abort if neither works.

This is where Dr. Foster's credentials may be lacking, especially if he wants to stress abstinence. He has served on Planned Parenthood's board of directors from 1978-1981 and as been on the group's advisory board since 1981. he has also served on the National Leadership Committee to Keep Abortion Safe and Legal, a subpanel of Planned Parenthood, since 1989. Although his "I have a future" program encouraged young people in two public housing projects to delay sexual activity, it also distributed condoms. He has delivered thousands of babies and conducted abortions, fewer than a dozen, he says, mainly to save lives or in cases of rape and incest.

It is no surprise that a president who advocates the right to abortion would nominate someone who shares that philosophy. But you have to wonder about the reasons behind this particular choice. Mr. Clinton did not have to pick an obstetrician. What's wrong with heart surgeons? But when he did chose an obstetrician, he should have known that the question of abortion would come up. Still, the salient facts that Dr. Foster supported abortion and had performed it himself failed to materialize on the official biography issued by the White House, Health and Human Services and indeed the doctor's office, as well. They were revealed after a series of questions from The Washington Times and other media.

After two-and-a-half years in office and with a bloody trail of botched nominations behind him, you would think that Mr. Clinton by now knows that hiding the truth and then getting it out in dribs and drabs has tremendous political costs. These are issues that promise to take center stage when Dr. Foster's confirmation hearings are held by the Senate Labor and Human Resources Committee. If the senators are skeptical about this candidacy already, it's very easy to understand.

N.Y. Times; 2-5-95

New Doctor, Same Fever

President Clinton nominated a new Surgeon General last week, and the stage was set for yet another fight over sexuality and abortion in America when Dr. Henry W. Foster, Jr., a prominent Tennessee obstetrician, , accepted the President's charge to begin a national drive against teen-age pregnancy.

Within days, some Republicans were bitterly questioning his, and the White House's, judgment after Dr. Foster said that during nearly 30 years of practice he had performed "fewer than a dozen abortions." He also said he had delivered more than 10,000 babies.

One of Dr. Foster's accomplishments in Tennessee is a program, "I Have a Future," that mixes many services — tutoring, job training, family life classes, medical services — into one after-school program. It emphasizes sexual abstinence and family responsibility, and does not give abortion counseling. It does offer condoms to those who may need them.

Members have had very few pregnancies in the eight years since the program was founded, and many continue education after high school, said Lorraine Williams Greene, the director. But the condom policy and the fact that Dr. Foster has been on the board of Planned Parenthood of Middle Tennessee quickly set off alarms among the conservative groups who made President Clinton's last Surgeon General, Joycelyn Elders, a high-priority target because she outspokenly advocated openmindedness about sexuality. Even before Dr. Foster said he had conducted abortions, Gary Bauer, a former Reagan Administration official who heads he Family Research Council, said he would try to stir a fight over the nomination in Congress. *PHILIP J. HILTS*



Henry W. Foster

USA Today; 2-6-95

Voices: Should having performed abortions affect the surgeon general nominee?

President Clinton's surgeon general nominee, Henry Foster, faces a difficult confirmation hearing. The gynecologist and obstetrician from Tennessee says he performed some hospital abortions, mostly to save mothers' lives, and in cases of rape or incest. Some senators oppose confirmation. USA TODAY asked readers their opinions. Story, 3A



David Burks Jr., 39
Retail manager
Greenville, S.C.

No. He's a doctor, and that is part of his job. This shouldn't have anything to do with his nomination. We need to think about the good things he accomplished. We need to question what his plans are to deal with problems like teen pregnancy and drug abuse.



September George, 27
TV script supervisor
Los Angeles, Calif.

It shouldn't, but it will. I don't vote on a politician because of one issue. I look at the whole picture, and that's how he should be looked at. It will play a role because conservatives and Republicans have taken over Congress, and they are against abortions.



Lee Schierkolk, 57
Physical educ. teacher
Prairie Farm, Wis.

Yes, it should. I don't believe taking the life of an innocent child is right for anybody to do and certainly not for somebody who's going to serve the nation as surgeon general. He was wrong to perform abortions. I would object to him being confirmed.



Maurice Fox, 62
Podiatrist
New City, N.Y.

It should have nothing to do with his nomination. It's the '90s. It's a woman's choice to have an abortion; therefore he should not be penalized for performing abortions. He's practicing medicine within the confines of his degree. What he did was absolutely legal.



Kathy Jo McElwain, 44
University fund-raiser
Bethel Park, Pa.

Yes. I feel very strongly about this issue. I would need to know where he stands right now. If he is opposed to abortion under any circumstances, fine. He also would have to be vocal about it. If he is not, I don't want him in this office.

Wash. Times; 2-5-95

Advantages . . . and agonies of group homes

LEON ANDERSON
VAL PETER



I wish we lived in a world where all children had loving, caring families, a world in which there weren't hundreds of thousands of children whose families were irretrievably broken because of drugs, alcohol and abuse.

And I wish family preservation programs could put all families back together.

But we don't live in such a world.

In the real world, not everything is perfect. It is in this real world that the question of "institutions" or "orphanages" arises. If what people mean by the term "institution" is large numbers of troubled kids living in dorms with underpaid, poorly trained shift staff to watch over them, then Boys Town hates "institutions."

Putting delinquents together in this way too often reinforces delinquency. Just look at juvenile prisons, secure detention facilities, alternative education centers and poorly run adolescent psychiatric facilities.

The results are poor child progress and, in many cases, even regression or abuse.

Some people see only two options: (1) a healthy, healing family; or (2) a dehumanizing "institution." But there's a middle ground called "quality residential care." I probably would not have believed this myself if I were not associated with Boys Town, or know of so many other good residential facilities across America.

Many opponents of institutions have visited Boys Town and gone away saying: "I did not think it could be done."

It has not only been done in the family style homes of Boys Town, we have replicated our successful programs in 14 major metropolitan areas across America. Other agencies have gone down the same road of success, too.

Quality residential care has five basic components. First, the place must be safe. In other words, procedures (not just policies) need to be in place that give early warning signs of any breach of this covenant with a child.

Second, the children need to be happy there. Given their choices in a less than ideal world, they need to want to be there and like it.

Third, the kids need to get better. The issue is outcomes, outcomes, outcomes.

Fourth, it has to be family style and family based. Why? Because it's nature's way of teaching family skills and family relationships and, yes, even moral and spiritual values. It is as straightforward as that.

Family life and responsible behavior need to be role-modeled by people the kids trust and like. Kids learn every moment of every day. This isn't an academic pursuit.

Fifth, the program must be replicable. It must be able to be taught to others — repeated over and over again in hundreds of homes in hundreds of cities across America. It won't work if it depends exclusively on the charisma of one program leader.

Boys Town wishes Americans would deal with all family sickness early on. Why? Because if you don't catch a sickness early, you wind up in intensive care where the pain is high and the cost is great.

Family preservation workers acknowledge this. But people need to beware of the politically tempting notion that family preservation is a quick fix to a complex problem at a cheap price.

Don't get me wrong. Boys Town believes in family preservation. We operate these programs in our care continuum. Increasing numbers of family preservation workers, including our own, know you cannot preserve some sick families. Even the best family preservation programs claim only an 80 percent success rate. That means 20 percent of the kids will need out-of-home placement. So it's not either family preservation or good residential care. We need both.

Simplistic opponents of residential child care remind me of Charles Duell, director of the U.S. Patent Office in 1899. He said: "Everything that can be invented has been invented."

We're all in this together, folks. There aren't any easy answers. We'd be wise to work together on solutions instead of attacking each other.

The Rev. Val J. Peter is executive director of Father Flanagan's Boys' Home in Boys Town, Neb. This article was written for Scripps Howard News Service.

St. Louis Post-Dispatch (MO); 1/30/95

The Entire Village Must Raise A Child

By Carlo DiMaria

Once more we mourn the senseless death of a child. Christine Smetzer did not die of some rare, incurable disease. We are told she died a violent death in her school's restroom at the hands of another 15-year-old. Christine was not a member of some gang, there was no threat and the accused was not trying to defend himself against this wisp of a little girl.

We listen while school district officials tell us that the accused was a behavioral problem at another school in the district. We learn later that he was moved because he was caught by a teacher in a girls' restroom. He regularly wandered the halls of McCluer when he was supposed to be in class. The more we learn — and I am sure there will be more — the more we have serious questions about the school and school district management and about how anyone with the history of the accused was allowed to mingle unsupervised with the general population of students. When do we say, enough is enough?



I speak from an adolescence that included the death of my father the month before I turned 15. I know that my mother had her hands full with me, not to mention my brother, who turned 12 that year.

As I remember those times, the most prominent part was played by family and neighbors. There was nothing my uncle wouldn't have done for us, his sister's boys, but he wouldn't think twice about pulling us up short when we were out of line. Neighbors wouldn't have thought twice about disciplining us or any of the other neighborhood children. I don't mean paddling or anything like that, but by simply calling out to us to stop doing something stupid or dangerous.

I remember a mother who was not afraid to punish. I remember threats of police and courts that were real — not just shadows weakened by an overly tolerant public. It may be described as fear, but it worked.

I had one huge "family" to help me along the way. All of us are a family even though we may not be related by birth.

The Rev. Dr. Martin Luther King Jr. wrote in his 1963 "Letter from Birmingham City Jail," "Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly."

His assessment of the civil rights movement is no less applicable to the threat we face with child violence.

People may ask what they can do. Is it too late to do anything but hope for the best, run from violence, hide and maybe it will go away? I say no.

We cannot relegate ourselves to the place of the victim. We must take charge of our children and rear them the way we know they must be reared. We must look for help when we cannot do it alone. We must be ready to accept help and to give it to those parents in need. We cannot turn our back on these children any more than we would look away if they were drowning or in a fire.

If you question your ability to turn things around, take courage from these words of Patrick Henry spoken almost 220 years ago:

"For my part, whatever anguish of spirit it might cost, I am willing to know the whole truth; to know the worst and provide for it. . . . They tell us, sir, that we are weak — unable to cope with so formidable an adversary. But when shall we be stronger? Will it be next week, or the next year? . . . Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance by lying supinely on our backs and hugging the delusive phantom of Hope, until our enemies shall have bound us hand and foot?

"Sir, we are not weak, if we make a proper use of those means which the God of nature hath placed in our power. The battle, sir, is not to the strong alone; it is to the vigilant, the active, the brave."

This may not be the Revolutionary War, but I propose a revolution that is no less a struggle. We face an enemy just as dangerous.

We can no longer tolerate it when we know our children have skipped school. We cannot allow them to endanger their lives and others by smoking, drinking, driving like a maniac or driving drunk.

I am not so naive as to believe that saying no will prevent all these things, but our children will not do them without our cautions ringing in their ears. The thought of drugs or weapons must be accompanied by fear: a healthy fear of what these can do and a fear of the consequences.

We must support our teachers in the discipline of our children. Once teachers know what we expect of them, they must act. They must not be afraid that a child might be armed and certainly should not be afraid of lawsuits if a child is punished for an obvious wrong. We must be active participants in our school systems. We have neglected them, been inactive, for too long. Look where they have gone: Children killing children.

These are *our* children. These are what we are to become as a society. We must not give in. We must not throw in the towel and wring our hands in desperation. If we allow it, they will fall like a house of cards for lack of a foundation. No parent or set of parents can build that foundation alone. We must no longer cloud the line that marks right from wrong. We must become a community of parents to ensure that future children will no longer be afraid to even go to school. No more children can die and no more children can kill.

It is our responsibility as parents to stand beside one another to take back our streets and our schools. We must stand together to give our children what they deserve: a happy and safe childhood.

Carlo DiMaria is a parent in the Ferguson-Florissant School District.

Wash. Times; 2-5-95

Children at risk

On a Sunday morning bus ride to a church service for the homeless a few years ago, I sat beside Nona, a Native American woman who had been raised in an orphanage. Something she said has stayed with me ever since.

"I was 17," Nona told me, "before I knew I had a birthday. I guess nobody at the orphanage thought about it."

The "Personal Responsibility Act" offered as part of the Republican "Contract With America" would allow state governments to use federal funds to establish orphanages.

We will always need some out-of-home care for children, but Nona and Clay's experience demonstrate how terribly misguided it would be to turn to orphanages as a primary institution for raising children.

Anyone who would seriously consider such a policy should take time to ponder Nona's experience.

Orphanages provide food and shelter, but rarely have they provided a "home" in which a child can grow and mature. To grow up in an orphanage is all too often to grow up socially abandoned, to lack the feeling of being cared about that is necessary for healthy psychological and moral development.

Some children are able to form strong identities and values in such institutions, but there can be no doubt that they do so against odds. Even today's costly "group homes," which house children in cottages styled after families rather than in large dormitories of Nona's childhood, do not provide a healthy long-term environment for children growing up.

As a former group home worker, I have deep respect for the commitment and caring of those who labor (often heroically, for low pay, in difficult circumstances) to provide care for our nation's abandoned and abused children. But bureaucracies and professional "child-care workers" cannot take the place of a family.

Research on the homeless has consistently found that children raised outside their families have a far greater risk of spending their adult lives on the streets.

My experience with a young man I will call Clay, helps explain why. Clay grew up in a series of group and foster homes. When I met him, he was an obviously intelligent 16-year-old who could have had a promising future. But he had been raised in "child-care facilities" that provided little nurturing and often enforced an almost military obedience to "the rules."

He had grown up cynical of "rules" and lacking a sense of self-worth; when nobody else values you, it's hard to value yourself. He has also grown up desperate for love and attention.

When Clay turned 18, he was no longer a minor and was sent out into the world to make it on his own. He had not graduated from high school and he had no one to turn to for support. Two years later, I saw Clay for the last time. He was on Anchorage's skid row, caring for two older drunk companions sitting by an abandoned building.

Despite his tragic situation, I found myself thinking that perhaps there, at last, Clay had at least found some sense of belonging.

We will always need some out-of-home care for children, but Nona and Clay's experience demonstrate how terribly misguided it would be to turn to orphanages as a primary institution for raising children.

In reality, the enormous economic cost of returning to orphanages is likely to doom any sustained insistence on it.

But even were that not the case, the personal and social costs would demand a different strategy.

The only viable agenda for America's children is to provide stronger support for their families. The breakdown of the family can only be overcome by finding ways to rebuild it.

We must renew our commitment and demonstrate that we do indeed value families before our talk of "family values" can be taken seriously.

Leon Anderson teaches sociology at Ohio University and is a former group home worker with Alaska Childrens' Services. This article was written for Scripps Howard News Service.

N.Y. Times; 2-4-95

Hasty Cuts in Medicaid

Gov. George Pataki's main purpose in cutting the New York State Medicaid program is to close a budget gap created partly by his promise to reduce taxes. The proposed cuts go too far, too quickly. If the Legislature chooses the Governor's narrow path, hospital care will suffer. The poor will lose and so will others — especially in New York City.

The Governor has targeted Medicaid because its costs are soaring and the program is full of waste. But the cuts threaten muscle as well as fat. The answer is to build a system that rewards hospitals that provide high-quality, efficient care.

Mr. Pataki starts out right by proposing to steer Medicaid patients into managed-care plans of their choice. By closely supervising treatment, these plans can provide quality care at relatively low cost. The state would capture some of the savings by paying managed-care plans less than it now pays for treatment of fee-for-service patients.

Had Mr. Pataki's plan stopped right there — after calling for phased-in managed care — it would have been tough on hospitals, but feasible. Managed-care plans pay hospitals for treating their enrollees as much as 20 percent less than what the state pays hospitals for fee-for-service patients. Given time to adjust, city hospitals could learn to treat patients at lower cost. But Mr. Pataki's plan does not provide that cushion. It lunges for immediate savings by calling for 70 percent of the Medicaid population to switch to managed care within one year. Restructuring health-care delivery takes years, not one year. The Governor's restricted time frame invites chaos and cut-rate care.

Mr. Pataki would also cut reimbursements for treatment of Medicaid patients who continue in traditional fee-for-service coverage. That strips away money the hospitals do not have. It also threatens to undermine the move to managed care because reimbursement for managed care is linked to the state's costs for fee-for-service patients.

For the 11 city-owned hospitals run by the Health and Hospitals Corporation, the plan would take more than $800 million out of the corporation's $3.7 billion budget — a 22 percent loss. Because H.H.C. hospitals operate at a loss, and because Mr. Pataki has given them very little time to restructure, their only recourse would be to cut services.

Private hospitals that treat Medicaid patients are similarly threatened. They too will rush to cut because Mr. Pataki has given them no other choice. Patients will wait longer to see physicians; tests will be delayed; psychiatric programs and outpatient clinics will be closed.

Cutbacks breed neglect. Neglect breeds mistakes. If Mr. Pataki's cuts go through, some city hospitals will close. In some neighborhoods, patients will migrate to nearby hospitals. But in other neighborhoods, there are few excess beds. Meanwhile, hospitals that stay open will have no financial cushion to absorb Mr. Pataki's blows.

Mr. Pataki's cure might give the state budget a rosy glow. But health care could turn blue.

Balt. Sun; 2-4-95

Readers Praise and Criticize *Sun* Series on Social Security Programs

A Great Disservice

I am writing in response to your front-page reports (Jan. 22-Jan. 25) on Supplemental Security Income (SSI) for children.

As a social service provider in Baltimore City, I see the immense benefit that monthly SSI benefits have for families who have children with disabilities. I thought your first two articles were horribly misrepresentative.

The vast majority of families are able to obtain necessary medical supplies, housing, food and other needed items that medical assistance and other insurance programs will not cover. These items are not luxuries but are often necessary for the child's survival. The health status of many children would deteriorate without the needed medication and other supports that SSI money purchases.

Without SSI payments, many children's medical conditions would deteriorate, leading to costly in-patient services that would increase the cost of medical care for all Americans.

Many parents receiving SSI must stay home to care for their children. The SSI payments allow children, families, insurance companies and the public sector to avoid the astronomical cost associated with the institutionalization and hospitalization of children with severe needs . . .

Many of the sensationalized news reports inaccurately describe children who are told by parents to "fake" a disability in order to obtain SSI benefits. It is my experience that these stories are at the least extremely rare and at best exaggerated.

Children cannot be coached to have HIV/AIDS, medically fragile conditions or severe emotional disturbances. Despite your story, SSI benefits are very difficult to receive and take comprehensive documentation to prove a need (proof of income, physician's evaluation, school reports).

Cutting SSI benefits because of these irresponsible stories would needlessly wreak havoc on families with children in great need.

I was greatly disturbed at the lack of balance in your portrayal of those receiving SSI benefits. Next time I urge you to take a more balanced approach when doing such a story, particularly when the lives of children are at stake.

In this political climate where careful examination of public health problems has gone to the wayside in favor of politically reactionary statements, I believe that your series of articles do children with disabilities, their families and the taxpayers a great disservice. Shame on you.

Peter La Count
Baltimore

Pulitzer Quality

If *Sun* reporters John O'Donnell and Jim Haner don't get a Pulitzer Prize for their series on Social Security's Supplemental Security Income (SSI) and Disability Income (DI), then justice is not only blind, but hearing-and-speech-challenged as well.

But I doubt that they will, because the content and conclusions of their articles are politically incorrect.

In any other time, their revelations would be called a government scandal beyond the order even of Teapot Dome and Watergate.

However, in this case, responsibility for the scandal cannot be neatly assigned to one or a few individuals.

It is rather a scandal for which an entire philosophy of government is responsible — the philosophy which says that it is government, not the individual, which is the heart and soul, the bone and sinew of a culture and a civilization.

Richard Walter
Columbia

Small Investment

After reading the first two articles in the series "America's most wanted welfare plan" by Jim Haner and John B. O'Donnell, I find myself shocked at its sensational nature, which only caters to ignorance and inflames the passions.

This series appears to focus on the very small proportion of exceptions and to portend them as on the very small proportion of exceptions and to present them as the whole of the Supplemental Security Income program.

For example, your reporters say "checks for drug abusers are costing taxpayers $1.4 billion," which represents 2 percent of the overall $65 billion spent on Supplemental Security Income/Disability Insurance program.

Are we to assume that the whole 2 percent is suspect or are we, I believe, seeing a small portion of even the 2 percent singled out for emotional reporting?

I urge your writers to take a look at the number of tax evaders each year who cost the Treasury many billions of dollars beyond the $1.4 billion cited here.

Why is it that working people, even if they don't pay their taxes as required by law, are somehow more acceptable in our eyes?

Why is it that when the "cheats" happen to be poor and unemployed, we view them with such extreme disdain? The rules are, somehow, arbitrarily applied.

And what of the vast majority of the SSI/DI program recipients and their stories?

Let's hear about them and the proportionately small investment it has taken to get those adults, children and the elderly back on their feet again so they can lead productive lives . . .

Julee H. Kryder-Coe
Baltimore

Injustice

As an advocate for people with mental retardation and as a former journalist, I was very distressed and upset by the extremely biased, one-sided and totally unfair series, "America's most wanted welfare plan: The disabling of America."

Yes, this series did a very thorough job of revealing abuses, fraud, misuses and exploitation. It did nothing, however, to focus on two other groups of people:

1. Those citizens with severe and profound disabilities and their families who deserve but have been totally unable to get what should be an entitlement

2. The group of people with severe and profound disabilities who are, in fact, receiving a monthly "welfare" check to help them live a little more independently . . .

There are many, many people with mental retardation and other severe disabilities struggling to make it on the meager amount of $458 a month. Thousands more are people with severe disabilities struggling to get through and get approved by the often insensitive Social Security bureaucracy.

People with mental retardation are not the best at breaking down bureaucratic walls, unfortunately. It is no wonder that attorneys need to represent clients at this time. It is, after all, a government-made problem.

There are also thousands of families struggling to keep their children with disabilities at home, with little or no support. Why not profile their challenges and their sacrifices?

Society used to just institutionalize people with mental retardation as a matter of course at great personal cost to the people and at enormous fiscal cost to the taxpayer. Supplemental Security Income is designed to be one very small step in assuring personal independence.

This series was much more geared for the editorial page than for the front page. You have done a serious disservice to the people who genuinely need and deserve our public support.

And, certainly, you have done a grave injustice to the politicians and elected officials who are currently struggling with these issues . . .

Kate Rollason
Prince Frederick
The writer is executive director, the Arc of Southern Maryland.

Pandora's Box

Usually when I read a newspaper article on a subject familiar to me, there are many flaws. But your reporters are to be congratulated on the series concerning the Social Security disability program.

When I retired from there 30 months ago, the program was in free-fall toward chaos at toboggan speed, for all the reasons mentioned.

This is one debacle that cannot be blamed on the maligned government worker. Look to your nearest congressperson — and the more liberal, the more to blame.

They are the people who reacted to every special interest group and turned the program into what it is today.

They transformed a program designed for the seriously disabled into a haven for drug and alcohol abusers, immigrants, parents eager to have their normal children declared mentally unfit and the just-plain greedy.

There can be no better example of the loosening of standards than the poorly written mental requirements for children that have cost taxpayers billions in the last four years.

Every disability examiner of any experience realized that a Pandora's Box had been opened, and many spoke up to no avail.

Anyone believing that significant changes will be made to correct these abuses will be disappointed.

Social Security is now beset by a cast of characters that will be hard to overcome, even if Congress has the will to tackle this task.

Claimants, lawyers, doctors and special interest advocates of every description have a financial interest and will fight every attempt to remove people from the disability rolls.

I predict that the newly elected conservatives will talk big for public consumption, and then make only a few minor changes. They will run from the hot potato.

Thomas H. German
Baltimore
The writer is a retired disability examiner.

Biased Report

I was shocked by the incredibly biased portrayal of immigrants and refugees in the Jan. 24 front page article headlined, "America's most wanted welfare plan."

The article implies that many refugees and immigrants are responsible for robbing "real" Americans of disability benefits and taxpayer dollars.

I don't deny that there are probably thousands of people who are making fraudulent Supplemental Security Income claims.

But to so blatantly identify immigrants and refugees as the bad guys, without carefully balancing the story with information that the vast majority of immigrants are honest and productive members of our communities and that most fraudulent claims are made by native-born persons, is irresponsible . . .

Have we forgotten that we are a nation of immigrants and that our own family members often came here to escape scapegoating and the persecution that follows?

Please give consideration to how your coverage of social problems might affect innocent persons.

Let's not create the illusion that "cracking down" on immigrants or the poor would solve our country's problems. We all share a responsibility for their creation and their solutions.

Diane Paul
Baltimore

Needy Recipients

As a former worker at the Department of Social Services, I found your articles on welfare very one-sided.

There may be and probably are some frauds among recipients, but I never found any among the many hundreds of cases I reviewed and clients I interviewed.

In fact, my constant thought was amazement that these people were able to rise in the morning with so little to hope for in the future.

Why not portray some of the recipients who are needy and try to become independent? Your articles reinforce the stereotypical idea that all welfare recipients are lazy cheats. That is untrue.

By all means encourage legislators to reform the system, but do it case by case.

Then provide training, education, affordable day care, jobs and a living wage for the able-bodied.

But let's not debunk the whole system because of a minority who are able to manipulate bad rulings.

Agnes McAvinue
Baltimore

Mean Spirit

If *The Sun's* misleading, mean-spirited sub-headline on American aid to refugees is any proof ("America's Most Wanted Welfare Plan: Immigrants Walk Off the Boats and Onto SSI Disability Rolls," Jan. 24), Newt Gingrich's congressional ascendancy has brought his confederates' mercilessness to Baltimore as well.

The piece, in its analysis of the few refugees who commit fraud to obtain federal disability, fails to note that Supplemental Security Income is only available to the small number of immigrants admitted to the U.S. with refugee status.

The vast number of immigrants and refugees may not even file an application for SSI. On balance, these newcomers to the U.S. contribute far more tax revenues to federal and state coffers than they draw through any type of program.

What's more, the piece fails to credit the generosity — albeit limited — of American refugee policy.

Every year, the United States rescues about 120,000 refugees, a fraction of the millions of people throughout the world who flee their homes because of religious, political and ethnic persecution . . .

Those refugees who return American kindness with the ingratitude of falsely obtaining disability funds certainly deserve condemnation.

But the many refugees who commit no such fraud should not be viewed with harshness, even if the middle class must make a minor charitable sacrifice.

Barry List
Baltimore

Informative Pieces

My name is Patricia Anne DeBow. I am a 61-year-old disabled black woman, currently drawing Social Security disability insurance in the amount of $416 a month, which has taken me three years to obtain.

I have been reading the articles by Jim Haner and John B. O'Donnell. The articles were well written and very informative and heart-breaking.

It really is appalling to read how people who have never contributed to the Social Security program can sign up for the benefits and receive $458 each month.

Patricia A. DeBow
Havre de Grace

Welfare, not SSI

Congratulations to your reporters John O'Donnell and Jim Haner on their excellent expose of the waste and fraud in Social Security's give-away programs.

If these people mentioned have a real need, it should be through the welfare system, not Social Security. It is best equipped to sort out the malingerers.

It's a gross injustice to the millions of Americans, including myself, who have worked for years, paid into the system and now need the return on our investment.

The Supplemental Security Income program should be stopped immediately . . .

This cheating probably results in the deserving receiving less than they actually should be paid.

W. Walter Farnandis
Ellicott City

Family Values

While reading the recent *Sun* articles about welfare reform, something kept bothering me.

At first I questioned my compassion for those less fortunate than myself. What seemed to irritate me the most was large families on welfare — especially recipients who continued to add children to their under-financed families.

Then it came to me. I have two children of my own and would have liked to have had more, if I could have afforded a larger family.

After my first child's birth I took a part-time job in the evenings and Saturdays. After our second child was born, my wife started working part-time.

Income from the extra jobs helped pay the bills and kept us ahead, at the cost of time away from our home and children.

The only financial assistance we received was the income tax deduction that came with each child. Which is OK, since I've always felt responsible for my family's growth and maintenance.

However, I never had an employer raise my pay because of my family's increased size.

The idea that welfare benefits should increase with a family's growth is just as irrational as my wife and I producing more children than we could afford . . .

My parents never had medical insurance, nor could I afford it 14 of my first 20 years of marriage. I'm not proud of this.

In fact, had it been offered free by the government, I suspect I might have done whatever necessary to continue receiving it, maybe having children I could not afford.

Ron Walker
Baltimore

Misleading Points

Your series of articles on welfare reminds us that some people will stoop to anything, whether SSI recipients or journalists.

We read of over 700,000 immigrants, or one out of every eight beneficiaries, receiving SSI payments amounting to almost $4 billion in monthly payments.

You tell us they are the fastest growing group of SSI recipients behind children and a product of an almost unprecedented boom in immigration.

We read casually of immigrants who "walk off the boat and on to SSI disability rolls. . ." "without working so much as a day . . ." "a tide of mentally stressed refugees streaming through America's golden door."

First of all, you fail to distinguish between immigrants and refugees.

Refugees, of whom the largest groups since World War II have been Germans, Cubans, Southeast Asians and citizens of the former Soviet Union, have been deemed a special category and have been eligible for various types of federal assistance.

Yearly Immigration and Naturalization Service reports, however, routinely show that only 1 to 4 percent of all immigrants receive food stamps or SSI payments and only 7 to 10 percent receive Aid to Families with Dependent Children.

Second, taking the 1990 Census figures of just under 20 million foreign-born in this country, the 700,000 immigrants on SSI amount to only 4.5 percent of all immigrants, hardly a reason for anti-immigrant hysteria.

Third, INS reports also routinely count a higher percentage of immigrants in the labor force than native-born. In fact, it has been frequently calculated that what immigrants pay in taxes far exceeds what they receive in transfer payments.

Immigrants renew this country because they are ready to work. Even a Californian can tell you that . . .

I do not doubt the numerous cases of fraud you exposed in your series.

However, spotlighting those individuals with their hands in the cookie jar and then proceeding to make generalizations of a large group of people is dangerously misleading . . .

Sun readers deserve all the facts, the complete perspective . . .

Sanjay Mathur
Baltimore

Telling Numbers

The front-page article about a family in Louisiana receiving $46,716 tax free from Social Security was as interesting for what it did not say as for what it did say.

The initial question that might be raised is how much a family would have to earn to bring home net $46,716? It would have to be in excess of $65,000.

On the other hand, working with the $46,716 figure: A working person earning that much gross would have had $2,896 deducted for Social Security before he even brought home his pay check.

Allowing for seven children and parents for an exemption of $22,050 and the standard deduction of $6,350, there would be a taxable net of $18,316 on which federal income tax of $2,749 would be due. This represents a total of $5,645 in federal taxes alone.

This letter should not be construed as wanting to deny aid to the poor or others requiring help. However, the mathematics of the situation demonstrate that the present system demands an overhaul.

Richard Lelonek
Baltimore

Good Reporting

I wanted to compliment Jim Haner and John O'Donnell on their series on the Supplemental Security Income (SSI) program.

As a Social Security Administration employee for over 20 years, I was impressed with the job of research and writing done by these gentlemen. They managed to present an even-handed view of the issues and a balanced history of the program changes. Their errors were few and minor.

Even the people who write SSI policy that I've discussed the series with were favorably impressed.

It's the kind of reporting that I'd like to see more often, and a series of this complexity and scope is what makes reading the newspaper, rather that just "doing" TV news, worthwhile.

Vivian M. Schimberg
Baltimore

N.Y. Times; 2-4-95

How It Feels to Be on Anti-Abortion Hit List

To the Editor:

While I feel ambivalent about your decision not to report the American Coalition of Life Activists' hit list of a dozen doctors it wants eliminated, I am grateful for "The Escalating War on Legal Abortion," your Jan. 28 editorial criticizing this announcement. Not a bullet has been fired at any of us since then, as far as I know. But speaking as one of those physicians, I can testify that such an announcement goes a long way toward destroying one's life. That, of course, is the intended effect.

I am grateful also for the protection of Federal marshals, who were assigned to me and my colleagues after this announcement. But why should it be necessary for doctors who help women to be protected by armed guards?

What is more at stake than the lives of a few doctors is the issue of whether Americans now accept the level of violence and terrorism embraced by the anti-abortion movement as a means of political expression. When the anti-abortion movement gets through with us, who's next? People who write books?

We must surely ask whether it is beyond the limits of free speech that a group operating under the laws of the United States can stand up at a press conference, identify targets among people who belong to a category already marked for assassination by ideological colleagues of the announcing group, and then sit back and wait for the inevitable results.

In a society awash in the glorification of violence, notorious for unlimited access to lethal military weapons and diffused with people suffering from untreated severe mental illness, the probabilities are excellent that one or more of us will be assassinated. It is a new form of electronic fascism. Assassination has been a tool of tyrants for thousands of years. The technology and the degree of "plausible deniability" have improved over time.

Neither the American Coalition of Life Activists nor those it hopes to inspire care about me as a person, or about the women whose lives I save as a physician. What they care about is power. So does the Republican Party, which has been the chief beneficiary of 20 years of anti-abortion rhetoric leading to this terrorism.

How many more doctors, receptionists and other abortion clinic workers have to be killed before the American people and their Government step in and stop this insanity? When will Americans see that the anti-abortion ideology is a collective psychosis masquerading as religion, which has become a political force threatening democratic society?

WARREN M. HERN, M.D.
Director
Boulder Abortion Clinic
Boulder, Colo., Jan. 29, 1995

Balt. Sun; 2-6-95

Disabled Citizens

We were gravely disappointed with your series, "The Disabling of America" (Jan. 22-Jan. 25), for many reasons.

First, your reporters met extensively with members of this team and our clients. We tried our best to be honest and open with them about the nature and complexity of securing and maintaining Social Security benefits for our disabled clients.

Unfortunately, they organized their quotes so that some of our statements appeared out of context and were then misconstrued.

An example of this was the section where one of our social workers was discussing Delmont Williams' need for a payee, and they used her comments excluding the context.

Second, they did us all the disservice of sensationalizing the issue by using reactive lines such as, "Your tax dollars pay for illegal drugs and alcohol."

While they did address treatment issues and lack thereof (our primary concern), the average reader had already absorbed the harmful messages, perhaps before reading the entire lengthy article.

Third, for all their research, they were not able to capture or convey to the public just how very difficult it is for the average poor and disabled person to apply for and receive Supplemental Security Income (SSI).

They made it sound as if people just walk off the boat or out of the bar and onto the SSI rolls, while this is far from the case. In fact, Maryland has the sixth highest SSI turndown rate in the country.

The application process is complex, the appeals and reconsideration processes are even more complex, and for those lacking an address or housing, the process frequently takes between one and three years, or more.

Fourth, they did not address the very pertinent issue of representative payees, or having a (hopefully responsible) third party manage the recipient's funds in cases where his/her judgment may be impaired due to an addiction or a mental illness.

Although we arranged for them to interview two clients who are participating in two representative payee programs and who have had positive experiences, they did not use this opportunity to produce a balanced look at the impact of payees on SSI recipients.

Lauren Siegel
Baltimore

The letter was also signed by six other members of the social services team at Health Care for the Homeless.

THE GREEN SHEET SUMMARY OF NEWS CONTENTS FOR TUESDAY, FEBRUARY 7, 1995

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World-Wide

CLINTON INDICATED reservations about balancing the budget by 2002.

The president said he wouldn't consider such a proposal if it "meant that I had to really hurt a lot of people on Medicare" or gut education programs. Wiping out the deficit would be "a good thing," Clinton said in an interview. But he cautioned, "We can't solve it all overnight." The president's remarks, made on the day he released his 1996 budget plan, were the strongest indication yet that he won't make it easy for the Republicans to live up to what he called their "extravagant budgetary promises." (Articles on Pages A2, A13 and A24)

A new congressional analysis put the cost of the GOP's promised tax cuts at $704.4 billion over the next decade, which is far more than Republican estimates.

* * *

THE HOUSE APPROVED line-item veto legislation in a 294-134 vote.

The landmark measure is designed to give the president unprecedented power to veto specific items in future appropriations and tax bills. Passage of the bill was timed to coincide with former President Reagan's 84th birthday. Senate action is expected this year, but a vigorous fight is anticipated. Critics say it would tip the constitutional balance of power too far in a president's favor at the expense of Congress. (Article on Page A2)

The bill is an element of the House GOP's "Contract With America" that the leadership has vowed to press to a vote within the session's first 100 days.

* * *

A former top Air Force general appears to be the leading candidate to head the CIA. Administration officials said Gen. Michael P.C. Carns, who retired from the No. 2 job at the Air Force late last year, is Clinton's top choice. The president said he expects to announce his selection "in the next couple of days." (Article on Page A24)

* * *

An alleged terrorist pleaded guilty to all charges against him in a purported plot to kill Egypt's president and to bomb sites such as the U.N. and a New York City bridge and tunnels. Siddig Ibrahim Siddig Ali, 34, implicated 11 other defendants in the case, including a blind Muslim cleric, and agreed to cooperate with prosecutors.

* * *

Clinton extended until 3 p.m. today his deadline for striking baseball players and owners to settle their five-month-old conflict or face possible federal intervention. The extension was announced after mediator Bill Usery Jr. reported no progress by the original 5 p.m. deadline yesterday.

* * *

The U.S. shuttle Discovery came within about 40 feet of Russia's Mir space station, and the two craft traveled together briefly in an orbital rendezvous. The encounter set the stage for a space linkup in June. Russian officials permitted the maneuver despite concern about a fuel leak from the shuttle.

* * *

The House begins debate today on six measures that comprise the anticrime portion of the GOP's "Contract With America." The administration fears Clinton's plan to put 100,000 police officers on the streets may be in jeopardy. (Article on Page B6)

* * *

Ecuador's president flew to several South American capitals to present his country's case in the two-week-old border conflict with Peru. Peace talks between the two nations broke down Sunday in Brazil.

* * *

Abortion-rights groups accused Republicans of trying to appease right-wingers by opposing Clinton's choice for surgeon general. The groups urged the president not to abandon his candidate, Henry Foster, who has acknowledged performing abortions.

* * *

Russia's forces attacked outlying areas of Chechnya's capital from the air, targeting several petrochemical plants. The latest assaults further quickened the exodus of civilians from Grozny.

* * *

Eight Arab states declared, during a foreign ministers' meeting in Cairo, that the Israeli government's refusal to sign a nuclear nonproliferation treaty is incompatible with Mideast peace.

* * *

Hundreds of Sarajevo civilians left the Bosnian capital for the first time in seven months, using roads reopened under an accord between the government and Serbs. Elsewhere, Bosnia was relatively quiet.

* * *

Walesa intensified his battle with Poland's left-dominated Parliament, telling lawmakers that they should disband if they refuse to replace Prime Minister Pawlak. (Article on Page A18)

THE GREEN SHEET

News About the U.S. Department of Health and Human Services

Vol. 42 No. 25 Tuesday, February 7, 1995

N.Y. Times; 2-7-95 p. 1

HOUSE APPROVES A LINE-ITEM VETO FOR THE PRESIDENT

REPUBLICANS MARCH ON

Long-Sought Provision Would Significantly Shift Balance of Power Over Budget

By DAVID E. ROSENBAUM
Special to The New York Times

WASHINGTON, Feb. 6 — Continuing to roll untrammeled through the components of the Contract With America, the Republican House of Representatives voted tonight to give the Democratic President a line-item veto, the authority to strike specific parts of spending bills and some tax measures passed by Congress without vetoing the entire legislation.

Like the constitutional amendment requiring a balanced budget, which the House approved last month, the line-item veto would fundamentally change the way the Government works. The veto would radically shift dominant control of the nation's purse to the President from Congress.

But also like the constitutional amendment, the measure the House passed tonight could well be stymied in the Senate, which is more jealous than the House of the powers of Congress. The Senate continued to debate the amendment today with little prospect for a vote any time soon.

The House approved the line-item veto bill by a vote of 294 to 134. Voting for the bill were 223 Republicans and 71 Democrats. Four Republicans, 129 Democrats and 1 independent voted against it.

The Democratic opponents of the measure maintained that it would give too much power to the President. "The most fundamental threat to the long-term liberty of this country," Representative David R. Obey of Wisconsin told the House, "lies in the unchecked use of executive power."

Representative Cardiss Collins of Illinois, who led the Democratic opposition on the floor, called the measure unconstitutional because "the Constitution does not give the Congress power to delegate the legislative function to the President or anyone else."

But the Republicans carried the day. Speaker Newt Gingrich of Georgia called it "an important step for America" when a Republican House voted to give more power to a Democratic President because the Republicans thought it was the right policy.

The line-item veto, Mr. Gingrich asserted, "would allow the President to cut out some of the worst of the spending, to set some fiscal discipline."

President Clinton supports the idea of a line-item veto, as have all other recent Presidents. Ronald Reagan was the first to popularize the notion, and the Republican leadership of the House scheduled the vote for today as a tribute to him on his 84th birthday.

But, until relatively recently, the prevailing view in Washington has been that the Constitution requires the President to veto legislation in its entirety or sign the whole measure into law.

Under this new legislation, the President could blue-pencil individual items after signing an appropriations bill (or a tax bill, so long as the item did not affect more than 100 taxpayers), and the money could not be spent without further Congressional action.

The theory is that the President would go through spending bills with a fine-toothed comb and excise pork-barrel projects that lawmakers had quietly inserted. Of course, the President could also veto the money for entire agencies or cities.

To reinstate the provisions the President had deleted, the House and Senate would have to pass a new bill specifically doing so. The President could then veto that bill, and the deleted items would be reinstated only if Congress voted to override the veto by a two-thirds vote of both houses.

Opponents of the measure argued today that a line-item veto would not by itself lead to a balanced budget. After all, they observed, half of Federal spending involves what are called entitlements — programs like Social Security and Medicare that

See LINE-ITEM, p. 17

N.Y. Times; 2-7-95

$1.6 Trillion Clinton Budget Received With Tepid Praise

G.O.P. Says President's Plan Is Too Timid

By TODD S. PURDUM A22
Special to The New York Times

WASHINGTON, Feb. 6 — President Clinton sent his $1.6 trillion budget to a skeptical Congress today, vowing to control, if not reduce, the Federal deficit and challenging the new Republican majority to show how it would pay for its own deeper cuts in taxes and spending and keep its pledge to balance the budget by 2002.

"Republicans are saying we took a walk on the deficit, but none of them voted for the President's plan that got us where we are," said the President's budget director, Alice M. Rivlin, defending the Administration's decision to hold the budget deficit steady at about $200 billion a year into the next century, after reducing it for three years running. "And we will see as time unfolds what they intend to do to bring the deficit down. We haven't seen anything yet."

Mr. Clinton proposes to save $144 billion over the next five years —

The President laterals a hot potato to Congress.

about $63 billion to finance his proposed tax breaks for families with children and for college education, and the rest to reduce the deficit. He would eliminate 130 mostly small programs, for savings of about $2 billion, and consolidate 270 others in the first of what are likely to be far deeper cuts adopted by Congress.

On Capitol Hill, Republicans generally offered tepid praise for Mr. Clinton's direction but dismissed his plan as too timid.

"While the President has taken some positive steps as far as discretionary spending is concerned, he has shown no interest in doing the heavy lifting needed to eliminate our budget deficits," said Representative John R. Kasich of Ohio, chairman of the House Budget Committee. "This budget lacks courage. It takes no action to control the growth of entitlement spending, which must be done if we are to reach a balanced budget by the year 2002."

Senator Pete V. Domenici of New Mexico, chairman of the Senate Budget Committee, said Mr. Clinton's plan "raises the white flag of surrender at the red ink of Government spending."

The majority leader, Senator Bob Dole of Kansas, said the President's budget would lend momentum to Republican efforts in the Senate to pass a constitutional amendment requiring a balanced budget, as the House of Representatives already has.

Some Democrats were not much more supportive. Senator Jim Exon of Nebraska, the ranking member of the Budget Committee, said the President's budget would satisfy neither side of the aisle and "falls short, way short, of the deficit reduction we need." "He has dropped the ball."

And Senator Bob Kerrey, the Nebraska Democrat who recently headed a bipartisan commission on how to overhaul spending for entitlement programs like Medicare and Social Security, said both parties were avoiding hard choices because the budgeting procedure only calls for making estimates five years into the future.

Indeed, curtailing the growth in entitlement spending, which rises automatically every year, has been one of the most difficult issues facing the Government. Mr. Kerrey's commission could not agree on how to do it and Mr. Clinton has punted as well.

Last year, the President proposed deep shifts in Medicare spending to help finance his health care proposals, and his aides said he remains committed to that goal. But the President opposes cutting Medicare to finance tax cuts, and today he sought to put the onus for any such decisions squarely on the Republicans.

"My budget cuts spending, cuts taxes, cuts the deficit, and does not cut education or Social Security or

See BUDGET, p. 6

Balt. Sun; 2-7-95

Clinton vows to fight for surgeon general nominee

Associated Press 3A

Foes link Dr. Foster to 700 abortions

WASHINGTON — Amid mounting pressure from anti-abortionists, President Clinton reaffirmed his support for Dr. Henry Foster Jr. as surgeon general. "I'm going to fight for him," Mr. Clinton said yesterday.

Mr. Clinton made the remarks as opponents accused Dr. Foster of grossly underestimating the number of abortions he performed as a Tennessee gynecologist-obstetrician.

Carefully measuring his words, Mr. Clinton said Dr. Foster's admission that he performed less than a dozen abortions should not scuttle his chances: "If what he has done is what he has said he has done, I don't think that is disqualifying."

The National Right to Life and other anti-abortion groups circulated transcripts of a 1978 ethics advisory board meeting in which a participant identified as "Dr. Foster" said, "I have done a lot of amniocentesis and therapeutic abortions, probably near 700."

Amniocentesis is a medical procedure to determine the health of a fetus. The transcript does not specify how many abortions "Dr. Foster" says he performed.

Dr. Foster, the surgeon general nominee, "flatly denies performing 700 abortions" and still says he performed less than a dozen — mostly to save the mother's life or in cases of rape and incest — said Mike McCurry, the White House press secretary.

Dr. Foster, 61, was a member of the board, which advised the since-defunct Health, Education and Welfare Department. Administration officials said the "Dr. Foster" quoted in the document could have been somebody other than the surgeon general candidate. However, there was only one Dr. Foster on the panel.

Abortion-rights groups accused Republicans yesterday of "throwing a bone to the right wing" in opposing Dr. Foster, who preaches abstinence to teen-agers. They also urged Mr. Clinton not to abandon his candidate.

The White House complicated matters by providing false information to Sen. Nancy Landon Kassebaum, whose Labor and Human Resources Committee will oversee the confirmation process. The Kansas Republican was told before the announcement that Dr. Foster had performed just one abortion.

Calling it an honest mistake, Mr. McCurry said President Clinton requested a review to determine how that happened "so, if necessary, an apology can be delivered."

Mindful of conservatives' strong feelings on abortion, many Republican senators have expressed opposition or concern with Dr. Foster's selection. Some pointed to the abortions; others mentioned the White House mistake or Dr. Foster's support for distributing contraceptives to youths as part of a comprehensive battle against teen pregnancy.

"There are some very troubling things concerning his nomination," Sen. Orrin G. Hatch, the Utah Republican who chairs the Judiciary Committee, Senate Majority Leader Bob Dole, who is preparing for a presidential bid, has said the nomination is in jeopardy.

Wash. Post; 2-7-95 p. 1

President Sends $1.61 Trillion Budget to Hill

Critics Say '96 Proposal Avoids Tough Cuts

By John F. Harris and Clay Chandler
Washington Post Staff Writers

President Clinton sent Congress yesterday a $1.61 trillion budget for next year, a spending plan he said allows him to be simultaneously an apostle of leaner government and an uncompromising defender of its most popular and expensive social programs.

"My budget," Clinton said at a news conference, "cuts spending, cuts taxes, cuts the deficit, and does not cut education, or Social Security, or Medicare. That is a good budget."

But congressional Republicans and many budget analysts accused Clinton of ducking virtually all of the tough spending cuts needed to bring the budget into balance, leaving those decisions instead for Republicans, who are struggling to craft proposals to fulfill a campaign vow to balance the budget by 2002. Clinton's budget projects deficits of $200 billion for the rest of the decade.

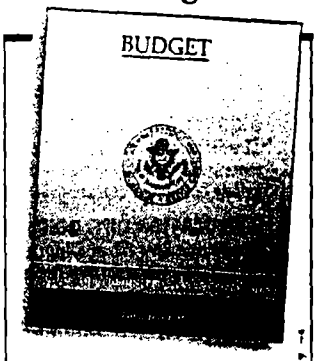
Although the president's budget exceeded 1,100 pages, its message to Republicans, critics charged, could be boiled down to these three words: "You go first."

"President Clinton's 1996 budget raises the white flag of surrender at the red ink of government spending," scoffed Sen. Pete V. Domenici (R-N.M.), chairman of the Senate Budget Committee.

Clinton's decision to forgo deep deficit reduction also drew criticism from some Democratic lawmakers.

"I'm disappointed that the proposed 1996 budget does not go further in reducing the deficit," Sen. Bill Bradley (D-N.J.) said in a statement. "The president has made real

Cont'd on next page



The Local Impact

■ President Clinton's budget held few surprises for area leaders, but many expressed fear that GOP budget cuts would sting close to home.
Page A13

Agency Summary

■ How the spending plan would affect each Cabinet department and the Environmental Protection Agency.
FEDERAL PAGE, *Page A17*

Arts Spared

■ Inviting a battle with Republicans, the president proposed increases in some arts agencies' funding.
STYLE, *Page B1*

Balloon Busters

■ President Clinton wants to sell the federal helium hoard, saying the program has outlived its usefulness.
BUSINESS, *Page D1*

Wash. Post; 2-7-95

HHS

Increases: NIH, AIDS, Head Start

The Department of Health and Human Services budget requested $715.8 billion compared with $665.9 billion in fiscal 1995, 95 percent of which goes to Social Security, Medicare, Medicaid and welfare. Outlays for Medicare and Medicaid were projected at $212 billion less over five years than previously expected, due to lower inflation and a cleanup of inappropriate state matching fund claims. HHS also would consolidate 108 separately funded Public Health Service programs, costing $4.2 billion a year, into 16 programs with the same overall funding, with administrative savings expected. Targeted for increases: the National Institutes of Health (up $468 million to $11.8 billion), Head Start (up $400 million to $3.9 billion), and the Ryan White programs for AIDS patients (up by 14 percent).

—Spencer Rich

USA Today; 2-7-95 4A

WELFARE CHALLENGE: Feminists challenged President Clinton and members of Congress to live on welfare for a week. Blasting the House Republicans' Contract with America, they suggested lawmakers could not exist on $150 a week, about the average welfare payment for a mother and two children. "Poor women and children have become the voiceless constituency on which the country's financial problems and social problems are being blamed," said Gloria Steinem, founder of *Ms.* magazine. Ohio Rep. John Boehner, head of the House Republican Conference, said lawmakers did not need to become poor to understand poverty. House Republicans have proposed a welfare-reform plan that would cut off federal payments to single mothers under 18, end benefits to legal immigrants, cap overall benefits and turn programs over to the states.



USA TODAY
STEINEM: Leaders should try welfare

from previous page

progress in the past on deficit reduction, and I think it is unfortunate that this budget does not go further. . . . Long-term economic growth will come only when we enact real deficit reduction."

Unlike the last two years, Clinton submitted this budget to a Congress controlled by Republicans who are likely to make wholesale changes. The president said he relied on spending cuts to pay for a $63 billion program of middle-class tax breaks that he proposed after the Republican triumph in the November midterm elections.

Clinton reconciled his somewhat contradictory budget aims by taking only modest steps in any particular direction. About $10 billion, less than 1 percent of the total budget, represents spending increases for his pet programs, such as Head Start and the AmeriCorps national service program.

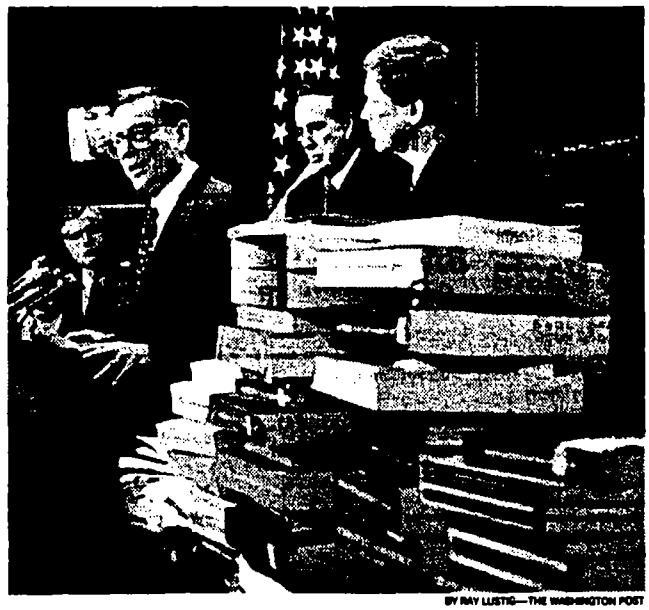
Meanwhile, the progress on deficit reduction that Clinton celebrated as a key accomplishment of his administration's first two years has been replaced by a strategy of "deficit control," in which success is defined by keeping deficits roughly constant in dollar terms but smaller as a percentage of the economy.

Clinton, Vice President Gore and other administration officials responded to GOP criticism by goading their foes to come forward with specifics—and to pay the political price for doing so.

"Americans deserve to know" the details of spending cuts, Clinton said. "It is their futures, their families, that are at stake. They deserve to know what will happen to programs they care about like Social Security and Medicare, what their opportunities are for educating their children and whether they will be enhanced or reduced [and] what we're doing about the poorest and most vulnerable children . . . in our society."

At the same time he sounded such traditional liberal themes, Clinton stood before two large posters, filled with lengthy lists of federal programs. Over one was a giant stamp saying "Terminated!" while the other bore the emblem "Consolidated!"

The terminated list included some big programs, like the Tri-Service Standoff Attack Missile, a weapon canceled by Defense Secretary William J. Perry last year, but the vast majority were small—like one that supplies buoys for the Chesapeake Bay.



BY RAY LUSTIG—THE WASHINGTON POST

With federal budgets dating to 1969—the last year the budget was balanced—stand, from left, Sen. Pete V. Domenici (R-N.M.), Senate Majority Leader Robert J. Dole (R-Kan.) and Rep. John R. Kasich (R-Ohio).

The list was a reminder of how the federal government's reach extends into even the most obscure corners of American life and how many small programs must be cut once the political choice has been made to leave a few large ones intact.

Robert Shapiro, director of the Progressive Policy Institute and one of the leading architects of Clinton's campaign economic agenda, faulted the budget proposal for failing to live up to Clinton's 1992 campaign promises to shift money out of wasteful federal programs and into public investment and deficit reduction to make the economy more productive.

"For the same reason the president deserves credit for taking the political risk to put in place a serious deficit reduction program in '93," Shapiro said, "we have to be disappointed that the administration isn't prepared to make further progress."

The budget projects the economy will grow at a rate of 2.4 percent this year—much slower than the 4 percent growth rate it posted in 1994—as repeated interest rate increases by the Federal Reserve reduce credit for firms and consumers. The administration expects consumer prices to rise 3.2 percent this year, faster than last year's 2.6 percent rate, and the unemployment rate to rise to 5.8 percent for this year.

Traditionally, presidents take pride in trying to get their budget proposals passed with as few modifications as possible. This year, though, Clinton and his team seemed to relish the idea of letting Congress have a turn at the plate.

"Like all budgets, this is the start of a dialogue, with the Congress and with the public," said Office of Management and Budget Director Alice M. Rivlin, who added the budget "will definitely not be dead on arrival."

"Republicans are saying we took a walk on the deficit," Rivlin said. "But none of them voted for the president's plan that got us where we are, and we will see, as time unfolds, what they intend to do to bring the deficit down. We haven't seen anything yet."

Administration officials made clear that deficit reduction was just one of several competing values that guided them in drafting a budget plan. Unskillful cutting, said Council of Economic Advisers Chairman Laura D'Andrea Tyson, might prove to be a dangerous drag on the economy. "Deficit reduction is a means to an end," she said. "It is not an end in itself."

"You don't want to have an arbitrary time by which the budget has to be in balance," said Treasury Secretary Robert E. Rubin. "That will bring all kinds of rigidities" in policy that might hinder economic expansion.

If cutting the budget isn't necessarily good economics, the administration is also convinced it isn't necessarily good politics. Tyson ticked off a long list of programs she said Republicans will have to slash—including spending on education, health care and nutrition programs for poor children—to reach their goal of balancing the budget, lowering taxes and boosting spending on defense. "If people see that and the polls stay high, I'll be shocked," she declared.

Sen. Bob Kerrey (D-Neb.), the chairman of a bipartisan committee concerned with trimming entitlement programs like Social Security and Medicare for retirees, said Clinton had made a mistake to avoid reexamining those programs in his budget.

"Growth of popular, middle-class entitlement programs continues to be our number one budget problem," said Kerrey, arguing that both parties were to blame for the situation.

"If present trends are not interrupted by congressional and presidential leadership and action," he said, "mandatory spending will consume all federal revenues by no later than the year 2012."

The president's tax proposals include $500 tax credits for families with children under age 13, and expanded deductions for people paying for education and job training.

But the liberal Center on Budget and Policy Priorities said Clinton had compounded his budget problems with these tax initiatives.

"With the economy growing at a healthy pace, increased consumption spurred by tax cuts is not needed," the center's director, Robert Greenstein said. "Deficit reduction, combined with strategic public investments, is more likely to help the economy and the middle class in the long run."



INSIDE
Wash. Post; 2-7-95

CLINTON'S BUDGET

Here is a look at Clinton's requests for outlays in major budget categories for fiscal 1996, compared with his 1994 and 1995 requests and the spending Congress approved.



SOCIAL SECURITY
OLD AGE, SURVIVORS AND DISABILITY INSURANCE

1994 Clinton request	$321 billion
1994 Approved by Congress	$320 billion
1995 Clinton request	$337 billion
1995 Approved by Congress	$336 billion
1996 Clinton request	$347 billion



HEALTH, MEDICARE
MEDICARE, MEDICAID, RESEARCH, TRAINING, CONSUMER AND OCCUPATIONAL HEALTH AND SAFETY

1994 Clinton request	$265 billion
1994 Approved by Congress	$256 billion
1995 Clinton request	$279 billion
1995 Approved by Congress	$272 billion
1996 Clinton request	$302 billion



DEFENSE
INCLUDES THE PENTAGON AND DEFENSE-RELATED ACTIVITIES OF THE ENERGY DEPARTMENT

1994 Clinton request	$277 billion
1994 Approved by Congress	$280 billion
1995 Clinton request	$271 billion
1995 Approved by Congress	$272 billion
1996 Clinton request	$281 billion



INTEREST
INTEREST ON THE NATIONAL DEBT

1994 Clinton request	$212 billion
1994 Approved by Congress	$203 billion
1995 Clinton request	$213 billion
1995 Approved by Congress	$234 billion
1996 Clinton request	$257 billion



WELFARE, JOBLESS BENEFITS
UNEMPLOYMENT COMPENSATION, FOOD STAMPS, AID TO FAMILIES WITH DEPENDENT CHILDREN, ETC.

1994 Clinton request	$215 billion
1994 Approved by Congress	$215 billion
1995 Clinton request	$221 billion
1995 Approved by Congress	$223 billion
1996 Clinton request	$225 billion



EDUCATION
PRIMARY, SECONDARY AND HIGHER ED.; OCCUPATIONAL VOCATIONAL, ADULT EDUCATION; STUDENT LOANS

1994 Clinton request	$54 billion
1994 Approved by Congress	$51 billion
1995 Clinton request	$54 billion
1995 Approved by Congress	$56 billion
1996 Clinton request	$57 billion



TRANSPORTATION
HIGHWAY, AVIATION, MASS TRANSIT, RAILROAD AND MARITIME PROGRAMS, U.S. COAST GUARD

1994 Clinton request	$40 billion
1994 Approved by Congress	$38 billion
1995 Clinton request	$38 billion
1995 Approved by Congress	$39 billion
1996 Clinton request	$39 billion



VETERANS
PENSIONS AND DISABILITY PAYMENTS, HOSPITALS, HOME LOANS AND EDUCATION BENEFITS

1994 Clinton request	$38 billion
1994 Approved by Congress	$38 billion
1995 Clinton request	$39 billion
1995 Approved by Congress	$38 billion
1996 Clinton request	$38 billion



NATURAL RESOURCES AND ENVIRONMENT
MANAGEMENT OF PUBLIC LAND, NATIONAL PARKS, SEWAGE TREATMENT PLANT CONSTRUCTION; EPA

1994 Clinton request	$21 billion
1994 Approved by Congress	$22 billion
1995 Clinton request	$22 billion
1995 Approved by Congress	$22 billion
1996 Clinton request	$22 billion



JUSTICE
LAW ENFORCEMENT; FBI, CUSTOMS SERVICE, INS, FEDERAL PROSECUTORS, JUDICIARY AND PRISONS

1994 Clinton request	$16 billion
1994 Approved by Congress	$16 billion
1995 Clinton request	$17 billion
1995 Approved by Congress	$18 billion
1996 Clinton request	$20 billion



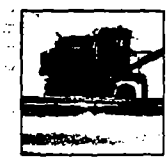
INTERNATIONAL AFFAIRS
DIPLOMATIC ACTIVITIES AND FOREIGN ECONOMIC AND MILITARY AID

1994 Clinton request	$19 billion
1994 Approved by Congress	$19 billion
1995 Clinton request	$18 billion
1995 Approved by Congress	$19 billion
1996 Clinton request	$17 billion



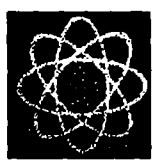
SCIENCE, SPACE AND TECHNOLOGY
SPACE EXPLORATION, THE NATIONAL SCIENCE FOUNDATION AND GENERAL RESEARCH

1994 Clinton request	$18 billion
1994 Approved by Congress	$17 billion
1995 Clinton request	$17 billion
1995 Approved by Congress	$17 billion
1996 Clinton request	$17 billion



AGRICULTURE
FARM INCOME SUPPORT PROGRAMS, AGRICULTURAL RESEARCH AND SERVICE

1994 Clinton request	$17 billion
1994 Approved by Congress	$17 billion
1995 Clinton request	$13 billion
1995 Approved by Congress	$14 billion
1996 Clinton request	$14 billion



ENERGY
NUCLEAR REGULATION; SUPPLIES AND CONSERVATION

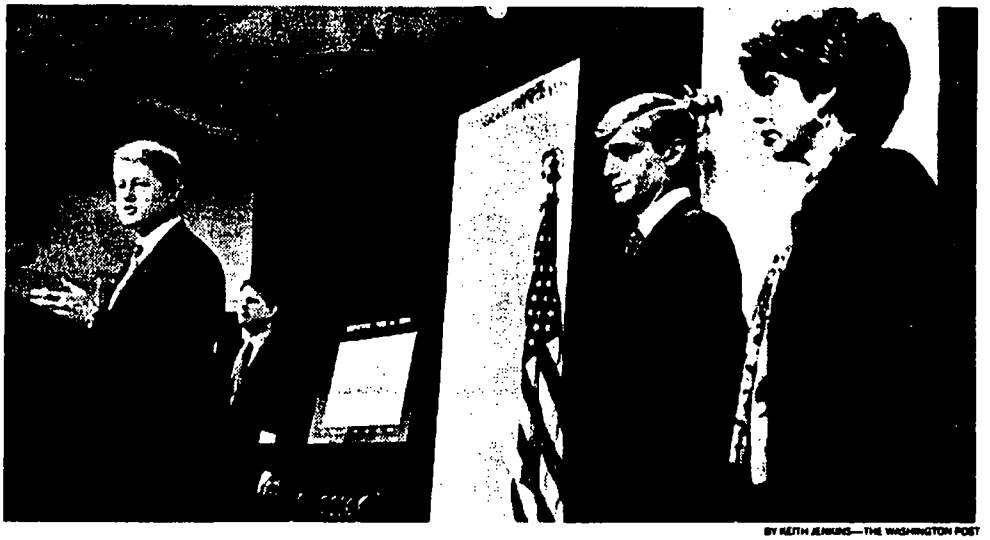
1994 Clinton request	$6 billion
1994 Approved by Congress	$5 billion
1995 Clinton request	$5 billion
1995 Approved by Congress	$5 billion
1996 Clinton request	$4 billion

THE WASHINGTON POST

FEDERAL EMPLOYEES
Wash. Post; 2-7-95

2.4% Pay Increase Included

By Stephen Barr
Washington Post Staff Writer



BY KEITH JENKINS—THE WASHINGTON POST

President gives briefing with, from left, vice president, Treasury Secretary Rubin and adviser Laura D'Andrea Tyson.

President Clinton's budget sets aside funding that would allow federal employees and armed forces personnel to receive a 2.4 percent pay raise next year and proposes a shift in the government's parking policy that holds the potential to increase bus and subway system ridership.

The budget issued yesterday provides $1.9 billion for a civil service pay raise and $1 billion for an across-the-board military pay increase. Federal employee groups criticized the proposed salary increase as failing to meet legal requirements that would boost federal salaries even higher. They also criticized it as shortsighted at a time when government downsizing plans create new workplace demands on the remaining employees.

In proposing a new "user fee" for parking, the budget estimates that $45 million could be raised to encourage workers to use mass transit.

Under the proposal, the administration would seek legislation to give federal agency heads the discretion "to charge employees up to the commercial equivalent rate" for parking on federal property and retain their profits to finance or enhance mass transit subsidies given employees.

Officials said few agency heads have required employees to pay for parking, because proceeds go to the general treasury and not the agency.

But some agencies charge a small parking fee to cover the cost of lights and guards, and several agencies limit their free parking spaces to employees who work late or unusual hours or who join car pools. Others have won approval from Congress in appropriations bills to pay some of their employees a small mass transit subsidy.

Metro officials said they had not been told of the proposal, and wanted to see the fine print.

But General Manager Lawrence G. Reuter said in the past agency heads have complained they could not implement Metro's subsidy program because they did not have the money to pay for it. "This would be a positive change," Reuter said, because it could increase participation.

As it did last year, the budget leaves it to Congress and employee groups to decide whether the proposed pay raise for the civil service should be spent on a nationwide, across-the-board salary increase or allocated according to "locality pay" formulas based on private-sector wage rates in 27 urban areas.

By law, a fully funded 1996 pay raise would amount to 5.9 percent, more than double the 2.4 percent proposed in the budget.

The budget does not mention the law, the 1990 Federal Employees Pay Comparability Act, but said "the administration's pay policy strives to strike a balance between providing pay levels that make government competitive with the private sector and raising pay so much that we have to resort to big cuts in employment, thus jeopardizing service."

Leaders of the American Federation of Government Employees (AFGE), the National Treasury Employees Union, the National Federation of Federal Employees, the Senior Executives Association and the Federal Managers Association (FMA) faulted the pay proposal.

"We're not practicing what we preach," said AFGE President John N. Sturdivant. "If they're asking workers to be more innovative, to be more creative, to do more with less . . . one of the easier things is to keep faith with them in the area of pay and benefits."

The budget, said FMA Executive Director Bruce L. Moyer, "continues to mean that tough times are ahead" for federal employees. He added, "It's probable that congressional consideration of those [pay] numbers will not go anywhere but down."

The budget also proposes a significant change aimed at addressing the often criticized unfunded liability of the Civil Service Retirement and Disability System. The budget proposal does not affect retirement benefits, but suggests legislation that would require agencies to pay the full costs of the pension system and to amortize its $540 billion liability over 40 years.

The budget assumes that the pension system costs 25 percent of base pay for most employees. Agencies and employees contribute 7 percent each into the system, and the budget proposal would increase the agency contribution to 18 percent.

To help agencies meet their new pension costs, the budget proposes increasing appropriations and adjusting upward legal limits on spending.

Staff writers Stephen C. Fehr, Bill McAllister and Dana Priest contributed to this report.

BUDGET, from p. 1

Medicare," Mr. Clinton said in unveiling it this morning. "That is a good budget. It continues to reduce the deficit without undermining the things that I believe the Federal Government should be doing. And I wish to work with the new Congress to achieve these objectives. I hope that they will submit budgets which do the same."

In fact, Mr. Clinton would eliminate some education programs in order to help finance his larger goal of new tax deductions for post high-school education. And while he would cut the deficit as a percentage of the domestic economy — and in relation to how it was anticipated to grow before he took office — in absolute terms it would remain about the same.

Over and over today, Administration officials sought both to defend that reality and to put it in context.

"When we got here, the deficit was out of control," Ms. Rivlin said. "It was nearly $300 billion and headed up, confidently predicted to go over $400 billion by the end of the decade. We had to get the deficit under control, and we did. It is now under $200 billion, $100 billion lower than in 1992, and this budget keeps that control and keeps the budget headed down as a percent of Gross Domestic Product. It was 4.9 percent in 1992; it is 2.7 percent of G.D.P. now. It will be 2.1, or less than half what it was in 1992 by the end of the decade."

Ms. Rivlin has long been one of the Administration's biggest deficit hawks. In a confidential memo to the President that caused an uproar when it became public last fall, she pointed out that the price of dramatic deficit reduction or increased spending on the President's domestic agenda would be cuts in other programs, like entitlements. Almost alone among the President's senior advisers, she argued in favor of deeper deficit reduction as the budget was being drafted in December, but she lost out to political advisers who urged the President to press ahead with his 1992 campaign pledge — initially deferred in favor of deficit reduction — of tax breaks for the middle class.

Today, Ms. Rivlin stoutly defended Mr. Clinton's efforts to encourage investment in education as worthy social and budgetary goals. Treasury Secretary Robert E. Rubin reflected mordantly on how little public or political credit the Administration has received for its success in reducing the deficit to date, but insisted that if the question came under serious scrutiny by the public, Mr. Clinton would still have the upper hand.

"If the elections in '96 were decided on whether the President fulfilled his promise to get the deficit under control," Mr. Rubin said, "I don't think the Republicans would get a single electoral vote."

Mr. Clinton proposed generally modest increases in spending for crime control, for stepped-up border patrols to deter illegal immigration, for high-priority environmental programs and for his national service program. He would save money by restructuring five departments, consolidating some functions and eliminating others, and by extending into the turn of the century caps on discretionary domestic spending that had been scheduled to expire in 1998.

The Administration is expected to outline the specifics of additional spending cuts this spring when Vice President Al Gore completes his second round of studies aimed at "reinventing" government.

For their part, the Republicans said they would spell out specific prescriptions for cutting spending, in Mr. Kasich's words, "When we get it ready." Mr. Domenici said that meant late April or early May.

A CLOSER LOOK

How Some Departments Would Fare

President Clinton proposes spending $1.61 trillion in the fiscal year beginning Oct. 1, with a deficit of $192.5 billion. The pie slices represent the percent of the total budget devoted to each spending category.



AGRICULTURE Remains at $62.3 billion next year, sparing farm subsidies from the budget ax, at least for now. Several programs would receive increased financing, including the food stamp program and a nutrition program for children and pregnant women.



DEFENSE A slight cut, by $6 billion to $258 billion, but maintains financing for training and higher troop salaries at the expense of buying fewer new warships and fighter jets than at any other time in decades. Republicans vow to reverse the proposed reduction in the coming fiscal year and add perhaps another $6 billion.



ENERGY An increase of $300 million to $17.8 billion despite Secretary Hazel R. O'Leary's boast that the Energy Department is making the biggest "contribution to deficit reduction" of any Federal agency. One increase is $90 million to accelerate the U.S-Russian program to improve security for nuclear materials.



ENVIRONMENT An increase about $138 million, to nearly $7.37 billion. More than half the money would be spent on local projects, mostly financing water treatment or the cleaning up of toxic waste sites. But the agency's research and regulatory activities would grow by more than $400 million and at $3.4 billion it would be almost twice as costly as it was in 1989.



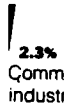
HOUSING A decrease of $600 million to $26 3 billion. Future savings are expected from a massive consolidation of grants and services into just three programs.



JUSTICE A 20 percent increase over last year to $16.5 billion, mainly to finance the Adminstration's anti-crime law About $4 billion of the new money would be used to help cities hire more neighborhood police; $370 million would be added to help cover expenses for states with large numbers of illegal aliens. The Immigration and Naturalization Service's budget would increase 27 percent to $2.6 billion.



MEDICARE, MEDICAID, SOCIAL SECURITY No policy changes were proposed in these mandatory spending programs.



TRANSPORTATION A cut of $700 million to $37.3 billion A reorganization over five years is projected to save about $6.4 billion. The independent Interstate Commerce Commission, which regulates portions of the rail, bus and truck industries, would be eliminated.

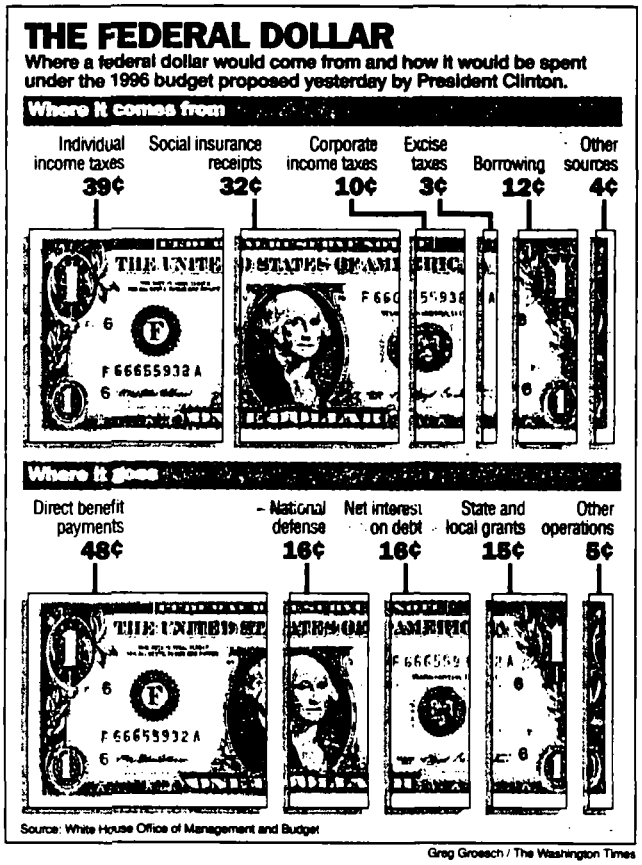
The New York Times

Wash. Times; 2-7-95 p. 1



Photo by Cliff Owen The Washington Times

A challenge: President Clinton, in presenting his budget yesterday, defies congressional leaders to provide specifics about proposed cuts.



Greg Groesch / The Washington Times

Despite cuts, Clinton takes hits on budget

Both parties criticize plan

By J. Jennings Moss
THE WASHINGTON TIMES

President Clinton yesterday sent a $1.61 trillion budget to Capitol Hill that he said would give the middle class a financial break, continue shrinking the federal government and hold the line on the deficit.

The fiscal 1996 budget proposal contained $63 billion in tax cuts over the next five years as well as $144 billion in savings, most of it from the administration's "reinventing government" program. It would reduce the deficit by $81 billion and projects a total deficit in 1996 of $196.7 billion.

"I challenge the leadership of the Congress to do what we have done: to provide the taxpayers with specific and real details about the proposals they make, and then to work with us to get a budget the furthers the interests of all the American people," Mr. Clinton told reporters at a budget briefing.

The budget makes no significant cuts to entitlement spending, the largest part of the federal budget. Social Security — an area neither the White House nor congressional Republicans will touch — makes up the largest chunk of the budget and will rise from $339 billion in 1995 to $354.8 billion in 1996.

Republicans left open the possibility of incorporating some of the president's proposed spending cuts, but they also found his attempts to reduce the deficit sadly lacking.

Inside

Deficit: Proposal stirs balanced-budget debate. **A10**
Cuts: Clinton leaves it to the GOP to scale back entitlement spending. **A10**
Analysis: Plan fails to advance Clinton's promise to cut the deficit. **A11**
Impact: D.C. sees good news; Maryland and Virginia officials can't tell yet. **A11**
Copies: About 1,500 copies of the Clinton budget are expected to be sold. **A12**

House Budget Committee Chairman John R. Kasich, Ohio Republican, denounced the president's budget proposal as an "abdication of leadership."

"While it's not dead on arrival, it's surely on life support," said Sen. Pete V. Domenici, New Mexico Republican and chairman of the Budget Committee. "He's put up a white flag of surrender on entitlements. The president took a walk."

As much a political document as a spending blueprint, the budget — coupled with the comments of Mr. Clinton and others — served both as a critical report card of the Reagan-Bush years and as a challenge to the new Republican Congress.

Mr. Clinton said that two years ago, when he took office, his administration "faced slow eco-

Cont'd on next page

BUDGET

from previous page

nomic growth, inadequate investment, very low levels of job creation, a deficit that was nearly $300 billion. . . . In two years, we have turned that around."

Those who shared the Old Executive Office Building stage where Mr. Clinton unveiled the budget were blunt in their critique of both past and future budgetary actions by Republicans.

"Anybody can propose to cut departments or to take a certain percentage out of the government," Vice President Al Gore said. "But as some of our adversaries in Capitol Hill are finding, doing the actual review and separating out what can be cut from what must not be cut is a delicate and difficult business."

Mr. Gore said the federal budget would have a surplus this year had it not been for the interest on the national debt that accrued from 1981 to Jan. 20, 1993 — in other words, the time that Republicans Ronald Reagan and George Bush occupied the White House.

Alice Rivlin, director of the Office of Management and Budget, sought to counter an expected criticism from the GOP about the administration's deficit projections — the budget forecasts annual deficits of about $200 billion through 2002, the year the GOP wants the budget balanced.

"Republicans are saying we took a walk on the deficit, but none of them voted for the president's [five-year economic] plan that got us where we are, and we will see as time unfolds what they intend to do to bring the deficit down. We haven't seen anything yet," she said.

Mr. Clinton noted that the 1993 economic plan, which narrowly passed both houses of Congress without any GOP support, would reduce the deficit by $505 billion over five years. With improvements to the economy and reduced 1993 interest rates, he said, actual deficit reduction would be more than $600 billion.

The fiscal 1995 budget deficit of $192.5 billion, which the president proudly says is the third straight year in a row the deficit has gone down, actually will increase to $196.7 billion. From fiscal 1997 to 2002, the deficit will range from $194 billion to $213 billion annually.

Mr. Clinton's budget drew scant defense and some harsh criticism from Democrats in Congress.

"I have had a great deal of difficulty determining what the president is trying to accomplish with this budget," said Sen. Jim Exon, Nebraska Democrat and ranking member of the Budget Committee. "He has dropped the ball."

As for deficit reduction, Mr. Exon said the budget reminded him of a punch line of an old joke: "The food is terrible, and the portions are so small."

Both Mr. Clinton and his budget document itself emphasized help for the middle class. With sections titled "Promoting a Rising Standard of Living for All Americans" and "Creating Opportunity and Encouraging Responsibility," the budget makes the case that Americans in the middle are not advancing.

During the 1992 presidential election campaign, Mr. Clinton promised to cut taxes for the middle class but decided against such a tax cut in exchange for reducing the deficit.

After the Democratic Party lost control of Congress in the November elections, Mr. Clinton proposed a "middle-class bill of rights." The package, which was part of the fiscal 1996 budget, included a $500 tax break per child under 13 for families and a tax deduction for up to $10,000 in college tuition or job-training payments.

"We're creating a leaner, not a meaner, government — one which offers more opportunity to those who are taking responsibility for themselves, their families and their communities," Mr. Clinton said.

Another area of emphasis in the budget is the reform of the federal government. Positioned behind Mr. Clinton and the other government officials yesterday were two long posters that detailed 271 federal programs that the budget proposes consolidating into 27 programs, as well as 131 programs set to be terminated, including the Interstate Commerce Commission.

The $144 billion in budget savings is derived through $101 billion from discretionary programs, $29 billion from mandatory programs, $9 billion from tax compliance and fees, and $5 billion from servicing the debt.

The budget carries out the previously announced restructuring of the departments of Transportation, Energy, and Housing and Urban Development, as well as other elements of Mr. Gore's reinventing-government project.

One aspect the budget does not address is health care reform. The issue was a key part of the fiscal 1995 budget proposal, but the Clinton health plan died in Congress last year and the administration is reluctant to send a new health proposal to a Republican Congress.

The budget anticipates an increase in Medicare, the federal health program for the elderly and the second-biggest entitlement program, from $157 billion to $178.3 billion.

"The president has emphasized that we want to come back to health care reform. We didn't put it in this budget because tactically we wanted to work with the Congress," Mrs. Rivlin said.

Laura D'Andrea Tyson, chairman of the Council of Economic Advisers, said the budget was prepared using several economic estimates for the next five years.

The White House posits that the economic growth potential will be around 2.5 percent, that the inflation rate will be about 3.2 percent through 1998 and then fall to 3.1 percent, that the unemployment rate will be about 5.8 percent, and that short-term interest rates will ease to about 5.5 percent.

Other details:

- Spending $246 billion for defense, a cut of about $8 billion from this year's budget. But Mr. Clinton noted that the budget also reflects the beginning of a $25 billion increase in defense spending over the next five years.
- Keeping a focus on crime fighting and prevention. The Justice Department would see its budget rise by 14.4 percent.

Major Garrett contributed to this report.

BUDGET AT A GLANCE

Highlights of President Clinton's budget for fiscal 1996.

Bottom line: Spending would hit $1.61 trillion.

Taxes: $63 billion in tax cuts over five years through a phased-in $500 credit for each child younger than 13 in families earning $75,000 or less annually, expanded individual retirement accounts for savers and a new $10,000 deduction for college or job-training costs.

Deficit: Expected to increase to $196.7 billion in fiscal 1996.

Cutbacks: Energy, Transportation, and Housing and Urban Development departments would be reduced in size, as would the General Services Administration and the Office of Personnel Management.

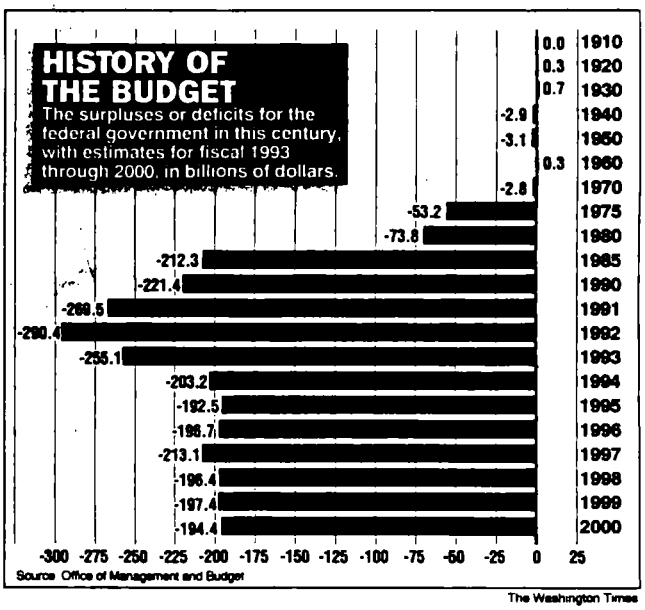
Closure: The Interstate Commerce Commission would be shut down, as would 129 programs in other agencies.

Increases: Additional funds are requested for law enforcement to put more police on the streets and to hire more border patrolmen.

Defense: Spending will decline 5.3 percent next year, but $25 billion in previous cuts would be restored to improve military readiness over the next six years.

Source: Office of Management and Budget

The Washington Times



The Washington Times

Wash. Times; 2-7-95

Clinton puts ball in GOP's court

By Major Garrett
THE WASHINGTON TIMES

A10

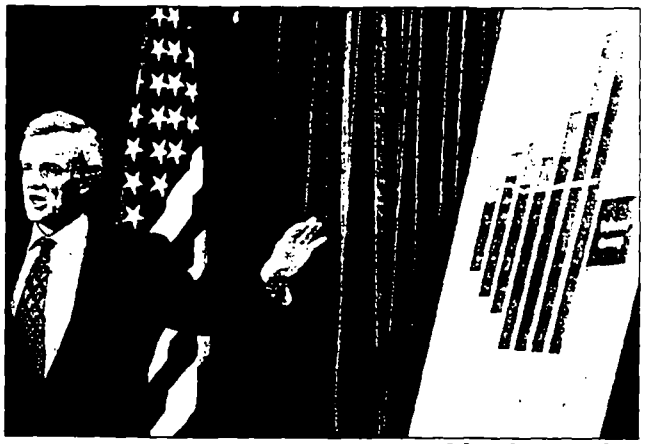


Photo by Joss D. Franklin The Washington Times

Sen. Bob Kerrey, Nebraska Democrat, pledges a cease-fire with GOP senators running for re-election if they cooperate on budget cuts.

Republicans accused President Clinton of ducking deficit problems yesterday as the president submitted a 1996 budget with a deficit of $196.7 billion, passing up cuts in entitlements such as Social Security, Medicare and Medicaid.

By doing so, the president challenged Republican leaders to come up with the massive spending cuts required to balance the budget by 2002, as stated in the "Contract With America."

"Without the president's leadership I don't know where we are going," said Senate Budget Committee Chairman Pete V. Domenici. "You will not get a balanced budget without the leadership of the president," the New Mexico Republican said.

The centerpiece of Mr. Clinton's budget is slashing $144 billion from the projected growth of federal spending over the next five years.

The president would use $63 billion of the reductions for a middle-class tax cut, and the remaining $81 billion to steady annual deficits at about the $200 billion level through the decade.

The bottom line for 1996: red ink of $196.7 billion, $4.2 billion more than is expected in 1995.

Yet the reduced federal spending won't accomplish the task set by Congress' new Republican majority.

Their proposed tax cuts would cost nearly $200 billion, and their pledge to balance the budget by the year 2002 would take another $1.2 trillion in savings, according to the nonpartisan Congressional Budget Office.

Mr. Clinton left alone the touchiest program — Social Security — and lightly touched Medicare and Medicaid — two of the largest, fastest-growing programs — and many other benefits.

The president's 1996 budget calls for $848 billion in entitlement spending. That is more than half of the entire $1.6 trillion budget. Social Security, Medicare and Medicaid account for $665 billion of all entitlement spending.

Mr. Clinton left it for Republicans to bear the brunt of public outrage and make the spending cuts necessary.

Sen. Jim Exon of Nebraska, the ranking Democrat on the Budget Committee, described the president's budget as a political "ploy" designed to put Republicans on the spot.

Republicans have so far revealed none of their plans, which they say they hope to nail down by the spring.

"When you read this budget you have to say he has left the field of play on how we manage our fiscal house," said Sen. Judd Gregg, New Hampshire Republican.

Industry lobbyists expect the eventual GOP budget plans will target Medicare for upward of $100 billion in savings over five years plus a similar amount from Medicaid, the companion program for the poor.

The chairman of the Democratic Senatorial Campaign Committee said yesterday he will not attack Republicans in the 1996 campaign if they cut the costly entitlement programs.

Nebraska Sen. Bob Kerrey said he will call a "cease-fire" on Republicans who attempt to reduce entitlement spending on a bipartisan basis.

"We are not going to take the Senate committee out on the road to fight a Republican that [is] involved in a bipartisan effort to reform Social Security and other entitlements," Mr. Kerrey said.

Mr. Kerrey said it was important to help Republicans and Democrats to surmount political fears and reduce the entitlement spending that is largely responsible for persistent and rising federal deficits.

"I'm trying to create a very different environment where [lawmakers] can tell the truth," Mr. Kerrey said.

Still, Sen. Alfonse M. D'Amato of New York, chairman of the National Republican Senatorial Campaign Committee, said many cease-fires vanish in the heat of political battle and he would reserve judgment until he heard Mr. Kerrey face to face.

"I've got to see it before I sign on," Mr. D'Amato said. "I don't put my vote in a blind trust."

Instead of embracing Mr. Kerrey's apparent olive branch, Mr. D'Amato said he would focus his efforts on defeating Democrats who reverse themselves on the balanced-budget constitutional amendment. Of the 16 Democrats officially undeclared on the issue now before the Senate, seven voted for it in 1994.

Of those seven, two are seeking re-election. They are Sam Nunn of Georgia and Mr. Exon. Six Democrats opposed to the amendment are also seeking re-election.

"If they kill the balanced-budget amendment, I'm going to hold them accountable," Mr. D'Amato said. "If I think what the other guy is doing is wrong, I'm going to go after them."

There are 33 Senate seats up for grabs in 1996. Republicans will defend 18 seats and Democrats 15 seats. Republicans currently hold a 54-46 majority.

Wall St. Jrnl.; 2-7-95

Clinton Downgrades Idea of a Balanced Budget By 2002 if It Were to Hurt Medicare, Education

A24

By MICHAEL K. FRISBY
And RICK WARTZMAN
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON – President Clinton all but wrote off the idea of balancing the federal budget by the year 2002, saying that he wouldn't go for such a plan if it "meant that I had to really hurt a lot of people on Medicare" or gut education programs.

In an interview with The Wall Street Journal, Mr. Clinton said he didn't "believe that the right way to reduce the deficit further is to pretend that we *don't have obligations* in the area of education or to deal with the needs of poor children in this country. I do not believe that we should reduce the deficit by arbitrary cuts in Medicare, which will just shift massive amounts of cost to the private sector and run private-sector health-care costs up."



Bill Clinton

Wiping out the deficit would certainly be "a good thing," Mr. Clinton said. But he cautioned: "We can't solve it all overnight."

No Desire to Pick Fights

The president's remarks, made on the day he released his 1996 budget plan, were the strongest indication yet that he won't make it easy for the new GOP Congress to live up to what he called the Republicans' "extravagant budgetary promises." He said repeatedly that he doesn't want to pick fights with the Republicans, and went out of his way at times to avoid a combative tone. He showed empathy for the critical media scrutiny House Speaker Newt Gingrich has received lately and apologized profusely for any misinformation the administration may have given to Sen. Nancy Kassebaum of Kansas regarding the White House's nominee for surgeon general.

But his comments cleary indicated the administration's strategy isn't to work with the opposition to cut spending, but rather to sit back and let Republicans face the difficulties of living up to their promises on their own.

The president did open the door to a potential compromise on a capital-gains tax cut. He said that his objection to the GOP plan is that "too much of it is retroactive." That suggested he might be willing to accept a capital-gains tax cut that applies only to assets purchased in the future.

The budget released by the White House yesterday projects annual deficits of nearly $200 billion a year for the rest of the decade. Mr. Clinton noted, however, that measured against the size of the economy, the deficit would decline – from 2.7% of gross domestic product this year to 2.1% in 2000.

Republicans immediately attacked the plan as not tough enough on cutting spending. It's "a white flag of surrender" in the struggle to curb entitlements and shrink the deficit, said Senate Budget Committee Chairman Pete Domenici of New Mexico. "There are no real cuts in this budget."

But Mr. Clinton defended his record on paring the deficit, noting that he has narrowed it by more than $600 billion from what had been projected when he assumed office. And he said he would have reduced the deficit further, had interest rates not turned up. "When the economy came back and interest rates rose, that's something we had to pay for," he said. "I don't have any control over that.

The president's budget shows that the combination of stronger-than-anticipated economic growth and higher-than-anticipated interest rates will reduce the deficit by $12.2 billion this year, but widen it by $8.9 billion next year and $15.4 billion the year after.

"I think I have some credentials on this. Right now, we're the only crowd in town that's got a record of doing any deficit reduction," Mr. Clinton said. The administration, he said, is "still waiting for the others – the people who are in the majority now" to put up a detailed plan.

Inflation Measure

He clearly isn't going to make that easy. He brushed aside, for instance, a proposal favored by Mr. Gingrich and other Republican leaders to save more than $60 billion over five years by adjusting the government's official measure of inflation. That's a "decision that ought to be made entirely based on the merits," he said. "It ought not to be a political decision."

The change in inflation adjustments was suggested by Federal Reserve Chairman Alan Greenspan and is getting serious consideration in both the House and the Senate. The president was quick to note that the effect of the change would be to reduce cost-of-living increases for Social Security recipients and increase taxes for those in higher brackets.

He said the government has a review of inflation numbers under way that wouldn't be concluded until 1998. To go along with taking action sooner, Mr. Clinton said, "I would have to be absolutely persuaded that there was a rock-solid case on the merits because, otherwise, it's just going to look like a bunch of politicians tried to keep their promises by cutting people's Social Security and raising people's taxes."

While offering little support to GOP budget-cutting efforts, Mr. Clinton did hold out a hand of compromise on welfare reform. The GOP is pushing proposals to take the federal money now spent on scores of antipoverty programs and give it to the states to spend as they see fit.

Mr. Clinton insisted in the interview that nutrition programs such as food stamps, school lunches and the Women, Infants and Children (WIC) program should be kept out of the so-called state "block grants" and retained as federal entitlement programs, open to anyone who qualifies. In other areas, though, he said, "I'd be open to giving the states even more flexibility than I proposed on welfare, but then there would have to be some understanding of what are the standards by which we will treat our children."

Still, the president said he opposes Republican efforts to save money by outlawing benefits to legal aliens. He conceded that he, too, has cut down on their benefits, but added: "To cut them off of all services that relate to education and health care, I think is a highly questionable approach."

In the course of the wide-ranging, 45-minute interview, Mr. Clinton touched on many other subjects. Among them:

Minimum Wage

Mr. Clinton rejected linking a capital-gains tax cut to his call for raising the minimum wage, a nexus that Senate Majority Leader Robert Dole has said he would like to explore. "I think the two issues should be considered on their own merits," the president said.

Baseball Strike

Mr. Clinton acknowledged that he doesn't have the authority to impose a settlement of the baseball strike, but said he has pushed for one because there's no baseball commissioner to step in; because big league cities and spring training sites will suffer huge economic losses without games; and because the strike isn't good psychologically for the country. "If they'd make a deal," he said, "it would be an enormous psychological boost for America right now; it would be a good thing." He also mused that it's bad for the country when a few hundred people "can't figure out how to divide up nearly $2 billion."

Surgeon General

Mr. Clinton defended Dr. Henry Foster, his surgeon general nominee, as "well-qualified" and said he would fight for his Senate confirmation, but he also left some wiggle room. "Based on the facts as I know them today," he said, "I know of no reason why I shouldn't stay with him."

The president also said he's trying to find out the facts on how Sen. Kassebaum, the chairwoman of the Senate Labor and Human Resources Committee, had been misled on the number of abortions that Dr. Foster had performed. "I think she's a very honorable woman and I would never, never mislead her." He also insisted that no one would have done it intentionally.

China

The president said American relations with China, marred just last weekend by the imposition of the largest trade sanctions in U.S. history, are being complicated by the transition of power in Beijing. Power may have passed from Deng Xiaoping to a new set of leaders, but they may not be "deeply rooted enough yet to feel secure enough to make long-term commitments."

But Mr. Clinton expressed confidence that despite the current tensions over trade and human rights, China's new leaders would have to place a high priority on U.S. relations. "I think we're still buying about 30% of their exports," the president noted. "This whole business about how tough we've been on China is not very persuasive to me."

Mr. Clinton sympathized with Speaker Gingrich, saying he's "gotten some rough treatment" in the media. Public officials should be "held accountable for what we do in our official capacities," Mr. Clinton said, "but all of us need the space to do our jobs."

Mr. Clinton, moreover, continued to offer an olive branch to his opponent, saying, the country has a lot at stake in having him and Mr. Gingrich working together. "Right now, we've got a shot to make it work," he said. "We've just got to keep working at it."

USA Today; 2-7-95

Budget plan: A careful strategy

'Solutions' for Clinton, Americans

By Judy Keen
and Bill Montague
USA TODAY 5A

President Clinton calls his 1996 budget a step toward "clearing away yesterday's government to make room for the solutions to the problems we face today and tomorrow."

The $1.6 trillion budget also is designed to clear away some of Clinton's political problems by defining areas of conflict with the GOP Congress and anchoring his 1996 re-election campaign with a modest blend of tax relief and spending cuts aimed at the middle class.

Clinton says he wants "to spread the benefits of our economic recovery to more Americans and give them the tools to build a brighter future."

The budget divides its $144 billion in savings: $63 billion would pay for lower taxes for middle-income families and savers; $81 billion would be applied to the deficit.

Republicans want a $200 billion tax cut, but can't say how they'd fund it. "Anyone can offer a tax cut or propose investments. The hard part ... is paying for it," Clinton says.

Although Clinton has presided over three straight years of deficit reduction, it has resulted in little political gain. So the White House is content to keep the deficit under $200 billion — "under control," says budget director Alice Rivlin.

"Republicans are saying we took a walk on the deficit, but none of them voted for the president's (1993) plan that got us where we are," Rivlin says. "And we will see as time unfolds what they intend to do to bring the deficit down. We haven't seen anything yet."

Critics say Clinton's budget is too timid in deficit trimming. That, too, fits in with administration strategy, which wants the burden, and possible blame, for deeper spending cuts put on Congress.

"As some of our adversaries on Capitol Hill are finding ... separating out what can be cut from what must not be cut is a delicate and difficult business," Vice President Gore says.

Although Clinton includes money for traditional big-government programs like food stamps and nutrition, his priorities reflect his political gameplan as he tries to tap into sentiments voters displayed in last year's elections:

▶ He emphasizes downsizing and efficiency, junking 131 programs and agencies and merging 270 programs into 27. The Energy Department and four other agencies would shrink.

▶ Clinton wants to sell excess uranium and power-producing dams and eliminate another 36,000 government jobs.

NASA would rely on private companies to communicate with satellites, and aid to Amtrak would be sliced.

▶ Clinton would not touch farm subsidies, veterans benefits or Social Security, and only small savings would be found in Medicare and Medicaid, two of government's most pricey and popular programs.

▶ Missing from the Clinton budget: reforming welfare and health care. He wants to work with Congress on those issues.

▶ Clinton wants to spend more for AIDS research, Head Start and his national service program. He wants to add $3.5 billion for fighting crime.

Heeding voter demands for tougher border security, he would add 1,000 new border patrol agents and a $3 per vehicle and $1.50 per individual crossing fee at U.S. borders.

Economists give Clinton's new budget plan high marks for honesty, but low marks for political courage.

They say the plan is based on fairly realistic predictions about economic growth, interest rates and other factors.

The White House could be missing an opportunity, some analysts say. The U.S. economy is strong and unemployment is relatively low. Tough budget cuts could prove less painful now than later, when the economy might be weaker.

"I would feel more comfortable if they were doing more" to cut the deficit, says David Munro of High Frequency Economics, a consulting firm.

Administration forecasts:

▶ Growth: After expanding 4% in 1994, growth in gross domestic product will slow to 2.4% this year, and average 2.5% a year through 2000.

▶ Inflation: Price increases will remain mild, with the consumer price index rising 3.2% this year, and 3.2% in 1996.

▶ Interest Rates: Short-term rates won't rise further this year, and will fall in 1996.

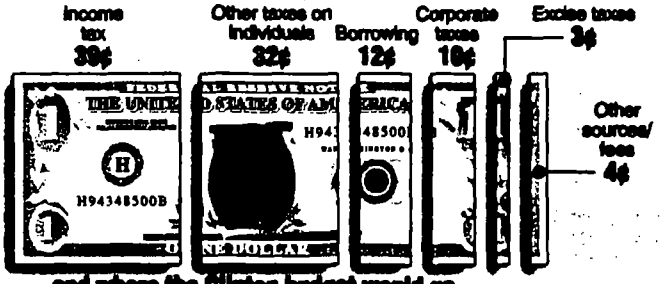
Economists say that scenario is credible, but vulnerable. One risk: If the deficit stays high, the Federal Reserve may push rates higher to fight inflation, leading to recession.

▶ Fight over deficit, 1A
▶ Editorial, 8A
▶ Education budget, 3D

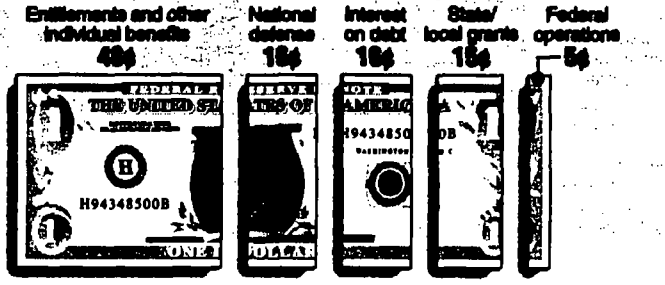
Mandatory spending impedes budget-cutting

President Clinton Monday sent Congress a proposed $1.61 trillion 1996 budget calling for a 4.5% increase in spending over the current fiscal year. The increase was largely because of increased mandatory spending on benefit programs, such as Medicare and Social Security, which Clinton left virtually uncut. Highlights of the budget:

Where federal dollar would come from

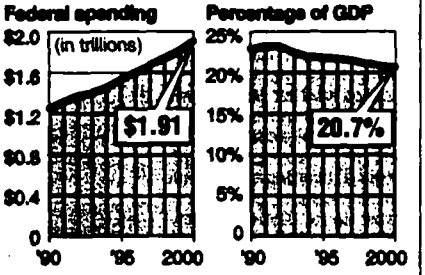


... and where the Clinton budget would go



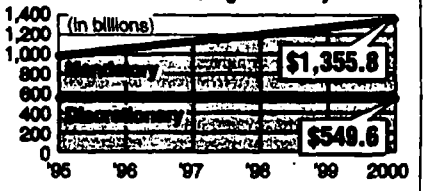
Budget spending growth

While federal spending is projected to grow about 50% from 1990 to 2000, federal spending's percentage of the Gross Domestic Product is forecast to fall:



Mandatory vs. discretionary spending

While mandatory spending on items like Social Security, Medicare and interest on the federal debt are projected to rise 38%, discretionary spending on defense, education, transportation and the environment is budgeted to stay flat:



Spending projections for various federal programs

Budgeted 1995 and 1996, and projected 2000, spending on selected federal programs, in billions:

	Social Security	Medicare/ Medicaid	Interest on debt	Pentagon	Education/ job training	Veterans benefits	Transportation	Foreign affairs	Family support
1995	$338.9	$242.8	$234.2	$260.8	$58.7	$38.3	$38.0	$22.1	$17.3
1996	$361.4	$270.6	$257.9	$258.9	$59.3	$39.6	$37.3	$21.0	$17.9
2000	$430.7	$380.5	$309.9	$258.7	$57.7	$38.8	$35.5	$20.1	$21.2

Source: Office of Management and Budget

By Stephen Conley, USA TODAY



By Tim Dillon, USA TODAY

A CLOSER LOOK: Treasury Secretary Robert Rubin and Laura Tyson, head of the Council of Economic Advisers, discuss details of President Clinton's 1996 budget on Monday.

USA Today; 2-7-95

GOP: Clinton faced change and 'blinked'

By William M. Welch
and Richard Wolf
USA TODAY

5A

President Clinton's budget proposal forseeing annual deficits of $200 billion through the end of the century satisfies no one on Capitol Hill, least of all the Republican majority now facing the task of finding deeper budget savings.

GOP congressional leaders united Monday in condemning Clinton's $1.6 trillion budget, which blends small tax cuts with a modest pruning of government. Left untouched is two-thirds of the federal budget, including spending for Social Security, Medicare and interest on the debt.

"The president came eyeball-to-eyeball with change, and he blinked," said House Budget Chairman John Kasich, R-Ohio.

But Republicans have yet to offer the first specifics of their own plan, beyond the promise of finding $400 billion to $600 billion in savings over five years. The GOP deadline is slipping; Kasich says he'll have his plan sometime in the spring.

But Clinton has now finished his budgetary role. It's the GOP which must identify more spending cuts if they are to pay for their twin promises of tax cuts now and a balanced budget in seven years.

"I challenge the leadership of the Congress to do what we have done — to provide the taxpayers with specific and real details about the proposals they make," said Clinton.

Some Democratic lawmakers complained quietly that Clinton hadn't gone far enough in recommending spending cuts, particularly in the big-spending programs such as Medicare and Medicaid.

Said Senate Minority Leader Tom Daschle, D-S.D.: "We cannot continue to pass huge deficits on to future generations."

But criticism was muted by recognition Clinton had won a $432 billion deficit reduction package in 1993 and gotten no political credit for it.

"I think more needs to be done on the deficit side, but I'm very sympathetic to the president for not proposing it given what happened to him in '93," said Sen. Bob Kerrey, D-Neb. He urged Clinton to adopt the recommendations of the commission Kerrey headed last year, which called for a 30-year budget that reduces benefits in Social Security and other entitlements.

In the wake of Clinton's budget presentation, there were also these currents:

▶ The case for tax cuts promised by both parties grew more difficult as Clinton's budget made clear how hard it will be to find budget savings.



By Tim Dillon, USA TODAY

THE PLAN: President Clinton, Vice President Gore with list of programs consolidated in the budget.

House Ways and Means Chairman Bill Archer, R-Texas, suggested he was ready to abandon a big business write-off promised in the GOP's Contract with America known as "neutral cost recovery."

He said he still wants to provide $200 billion in tax cuts, but he too is waiting for GOP colleagues to find savings to offset them.

"I'm one of the biggest deficit hawks in Congress," Archer told USA TODAY's editorial board. "I am not personally going to preside over giving tax reductions that we do not completely offset with spending reductions."

Sen. James Exon, D-Neb., called both parties' tax cut plans "the height of fiscal irresponsibility."

▶ Republicans said they would have to find savings in Medicare, the health program for the elderly, as well as Medicaid, the smaller program for the poor.

Sen. Judd Gregg, R-N.H., head of a GOP task force, said he would offer a plan of financial incentives for the elderly to use managed care or health-maintenance organizations, which he calls "choice care."

Archer said he expects Congress to cut subsidies and increase costs to many seniors for Medicare Part B, the optional plan covering doctor's costs.

▶ The Senate remains tied up over the constitutional amendment ordering a balanced budget by 2002. Majority Leader Bob Dole said Clinton's budget may help prospects by underscoring the lack of pressure for deficit reduction without an amendment.

Balt. Sun; 2-7-95 p. 1

President proposes $1.61 trillion budget

$196.7 billion deficit projected for 1996; GOP criticizes plan

By Carl M. Cannon
Washington Bureau of The Sun

WASHINGTON — President Clinton formally submitted a $1.61 trillion budget to Congress yesterday that essentially tosses the tough fiscal choices ahead into the laps of the new Republican Congress.

"Like all budgets, it is the start of a dialogue with Congress and the American people," said administration budget chief Alice M. Rivlin of a spending plan that calls for a $197 billion deficit. "It will definitely not be 'dead on arrival.' "

Republican leaders in the House solemnly agreed that it was not "dead on arrival," promising to give the budget "an honest, fair look."

But the Republicans also made it clear that they consider Mr. Clinton's spending cuts just a starting point.

GOP leaders criticized the president for sending a budget to Capitol Hill with a projected deficit even larger than the current year's. By doing so, they said, Mr. Clinton was ignoring the mandate issued in November's election — and leaving it to them to fashion the budget themselves.

"He walked away from deficit reduction," said Sen. Pete V. Domenici, the New Mexico Republican who chairs the Senate Budget Committee. "While the current Congress seeks to declare war on the deficit . . . the commander in chief has chosen to abstain from the battle."

HIGHLIGHTS

Deficit: The $1.61 trillion spending plan projects a deficit of $196.7 billion, an increase of $4.2 billion from 1995. Deficits would remain in the $190 billion range for most of the next five years.

Tax cuts: Tax credit for families with children under 13, available to families with adjusted gross income of up to $60,000.

Education: Tax deduction for college tuition, starting at $5,000 in 1996 for those who meet income guidelines.

Defense: A 2.4 percent military pay raise. Size of the armed forces would continue to decrease.

Program cuts: More than 100 small programs would be abolished and five departments restructured, with a goal of eliminating 36,000 federal jobs.

Added House Budget Committee Chairman John R. Kasich, an Ohio Republican: "If you are president of the United States, you better show some leadership, and this budget is an abdication of that leadership. It is a political document meant to try to trap people who are serious about trying to reduce the deficit."

Mr. Clinton's economic advisers heatedly took issue with such characterizations, but the president himself acknowledged to reporters that he had priorities in mind other than cutting the annual deficits.

"We're creating a leaner, not a meaner, government," Mr. Clinton said. "We're not cutting government blindly. . . . We still have to keep investing to raise the living standards of our people. Despite all the progress we have made, there are still too many Americans who are working harder for less."

Mr. Clinton's budget proposes raising living standards in a variety of ways. The first method is with his "middle-class bill of rights." This proposal offers a tax credit for those with children under 13, makes college tuition tax-deductible up to $5,000 — it goes up to $10,000 in 1999 — and expands the use of Individual Retirement Accounts.

He would also attack problems by directing greater government "investment," meaning increased spending, in job retraining and adult education; various education programs for poor youngsters, including Head Start; and an expansion of the National Service program.

The president's budget also calls for spending increases for anti-crime measures, environmental protection and immigration control.

Under the president's plan, some $144 billion would be trimmed from the budget over the next five years, most of it from scaling-down the size of the federal work force.

Mr. Clinton proposes using $63 billion of those savings to finance his tax cuts. The rest — $81 billion — would underwrite his proposed spending increases and stabilize the annual deficits at about $200 billion through the end of the decade.

This is hardly what the Republicans have in mind; they have promised to balance the budget by the year 2002.

Nor is it what Mr. Clinton promised when he ran for president. In "Putting People First," his campaign manifesto, he pledged to reduce the deficit by the coming fiscal year to $76 billion. Under the budget he sent to Congress yesterday, it would be $196.7 billion, $4.2 billion more than is expected this year.

Thus, critics of the president's budget found it most noteworthy for what it doesn't include: It wouldn't eliminate a single Cabinet department; it offers no cut in the total amount of domestic discretionary spending; it makes no mention of health care reform; it contains no plans for controlling the runaway costs of "entitlement" programs such as Medicare, food stamps, welfare and other poverty programs.

"If we don't tackle entitlements, the next generation is going to find itself with no future," said Mr. Kasich. "The president came eyeball to eyeball with change, and he blinked one more time. Time has come to deal with these entitlements, but the president has refused to do it for basically political reasons."

Clinton administration officials said they were open to Medicare reform, but only if it accompanied more sweeping health care reform, which Mr. Clinton promised in the last session of Congress and which went nowhere.

But Republicans weren't the only ones saying that in settling for a deficit in the $200 billion range, Mr. Clinton appeared to be focusing as much on the 1996 re-election campaign as on fiscal policy.

'Political statement'

"Every president's budget is a political statement," said Stan Collender, a federal budget analyst at the Price Waterhouse accounting firm. "This one is just more political than usual."

Mr. Collender said that the president had concluded that making deficit reduction a priority during the first two years had not helped him — and that there was little percentage in going out on a limb for cuts now.

Mr. Clinton's economic advisers, at briefings yesterday, repeatedly needled Republicans about the budget cuts they claim to want to make. The Clinton aides said that GOP lawmakers had not provided specifics on the cuts — and would find themselves taking a lot of heat when they do.

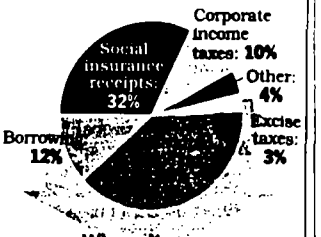
"Are they going to zero out Head

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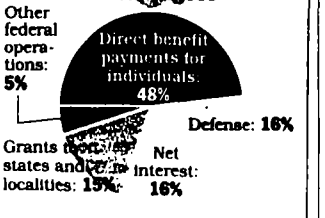
BUDGET BREAKDOWN

Fiscal year 1996 estimate of $1.61 trillion

Where it comes from



Where it goes



SOURCE: Office of Management and Budget, Associated Press

SUN STAFF GRAPHIC

L.A. Times; 2-7-95 P. 1

Clinton's Budget Defers Pain, Leaves Deep Cuts to GOP

■ **Economy:** The $1.6-trillion plan projects a deficit under $200 billion. But it relies on optimistic forecasts and gives Republicans the task of cutting popular programs.

By JAMES RISEN, TIMES STAFF WRITER

WASHINGTON—President Clinton unveiled a $1.6-trillion budget Monday that largely defers painful choices and counts heavily on optimistic forecasts for economic growth, inflation and health care costs to do the dirty work of deficit reduction in the coming decade.

With one eye fixed on next year's presidential campaign, Clinton presented a budget in which political caution is the watchword. It is a spending plan designed to force the Republican majorities in both houses of Congress to come out in the open and take the initiative to rein in costly programs that are popular with the broad middle class.

In particular, the Administration's blueprint for the 1996 fiscal year, which begins in October, does not address the soaring costs of entitlement programs.

Similarly, Clinton's approach to containing the federal deficit appears designed to minimize political exposure rather than confront underlying problems head-on.

The new budget projects a relatively moderate deficit for 1996 of $196.7 billion, and Alice Rivlin, director of the White House Office of Management and Budget, forecast Monday that the red ink will remain "under control" until well after the turn of the century.

But while that new forecast represents a dramatic improvement over earlier, nightmarish scenarios presented by the Clinton White House, the President's specific

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■ **LOOPHOLE FOR THE RICH**
President proposes to stop the wealthy from avoiding taxes by renouncing citizenship. A4
■ **RELATED BUDGET GRAPHICS, STORIES:** A6, B5

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Start?" said Laura D'Andrea Tyson, who chairs the president's Council of Economic Advisers. "They will find these are very popular programs."

Economists such as Mr. Collender agreed with that assessment. But what was different about the Clinton administration's attitude yesterday was the indifference that at times bordered on hostility to the notion of balancing the budget.

Asked repeatedly to declare that she considered a balanced federal budget to be desirable, Ms. Tyson refused. At a lunch with reporters, she went further, insisting flatly that there is "no relation" between the deficit and the performance of the economy.

'Under control'

Even Ms. Rivlin, a well-known "deficit hawk" who had been opposed to tax cuts, stuck to this line, asserting that the deficit was "under control."

In a series of briefings, Mr. Clinton's top economic advisers sought to deflect criticism of the newly rising deficit projection by:

■ Insisting that if the last projections of the Bush administration were used as a baseline, they have cut the deficits in half.

■ Asserting that if instead of using total dollar figures, the deficits are considered as a percentage of gross domestic product, the proposed deficit for the coming year is less than the current one.

■ Assailing the Republicans for not yet even having specific plans to cut the deficit.

Nonetheless, if Mr. Clinton's budget were adopted, he would be on a course of adding nearly $1 trillion to the national debt even if he served only one term. Currently, the national debt requires a payment of interest each year — $257 billion in the coming year — that is nearly the same as the entire amount the United States spends on national defense.

That is the rationale, Republicans say, not only for deficit reduction but for a balanced budget amendment. Sen. Orrin G. Hatch, a Utah Republican, noting that Democrats have been saying that the budget can be balanced without an amendment, said that Mr. Clinton isn't even trying.

"The president admits that for the next 12 years there will be deficits of at least $190 billion," he said.

Karen Hosler of The Sun's Washington Bureau contributed to this article.

BUDGET

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budgetary proposals contribute relatively little to that improvement. Instead, the lower deficit figures are achieved largely through new estimates of the performance of the economy—especially a much rosier outlook for the health care sector.

In the process, the White House has abandoned the dire warnings it issued during last year's bitter health care debate that the federal deficit would grow at an uncontrollable rate over the next decade without comprehensive health care reform.

At the level of political strategy, Clinton is clearly going on the defensive on economic policy, all but daring the new Republican leadership in Congress to live up to its bold rhetoric—and risk the ire of voters—by making the tough spending cuts needed to pay for their agenda.

Tactically as well, the White House now seems convinced that the best way to bring congressional Republicans to the bargaining table on a wide range of tax and budget issues is to force them to confront the political hailstorm that in the past had pelted down on politicians who tried to tamper with Medicare, agriculture subsidies, veterans' benefits and a host of other sacred cows that Clinton's budget has left unscathed.

With Republican leaders facing mounting problems in putting together their own spending cut plans to pay for their "contract with America," Administration officials suggested that such a strategy of letting the GOP make the first move could be successful.

"So far, we have not seen any Republican proposals, and so we have nothing to respond to on entitlements yet," Rivlin said.

The decision to do nothing on entitlements follows weeks of internal study and debate within the Administration and represents a defeat for deficit hawks on Clinton's economic team. A joint White House task force set up by the National Economic Council and Domestic Policy Council has been studying ways for Clinton to address the problem of soaring Medicare and Medicaid costs. But White House officials acknowledged that the task force's work will not result in any new initiatives to deal with the problem this year.

"We did some work internally on the issue, but that is not going to lead to any new proposals now," said one White House official. "The President has offered to work with the Congress on entitlements, but we want to see what the Republicans are willing to do."

Ignoring entitlements this year only means that the problem will get much worse, critics said. Today, entitlements account for an estimated 64% of all government spending; unchecked, they will eat up at least 70% of government spending by the end of Clinton's five-year budget plan.

What's more, critics said that the Administration's decision to avoid pain on the entitlement front has prompted it to indulge in the kind of budgetary sleight of hand that Clinton railed against as a candidate.

The President has insisted that he will be able to keep the deficit within the range of $200 billion each year for the next decade even without going after entitlements. But the Administration's forecast of entitlement spending, the country's economic health and future government revenues is far more optimistic than the latest estimates from the Congressional Budget Office, which warned in January that the deficit could balloon to as high as $421 billion in 2005 without tougher action on Medicare, Medicaid and Social Security.

Administration officials acknowledged Monday that their rosier numbers come because they are basing their budget on more optimistic assumptions than the CBO is using.

The White House said that it can shave more than $200 billion a year off the deficit by 2005 by using a higher estimate for the annual rate of economic growth and a lower rate of health care cost increases, along with a downward revision in the consumer price index to bring about a lower rate of inflation.

Officials said that the government plans to revise the index in 1998, which will lead to lower inflation adjustments on a wide range of federal programs after the turn of the century.

"Each of those changes are small, but cumulatively over 10 years, they can make a huge difference in your deficit forecasts," noted Joseph Minerich, chief economist of the Office of Management and Budget.

To be sure, the Administration has called for some cuts in "discretionary spending"—a category that covers virtually all major military and civilian government operations except entitlements.

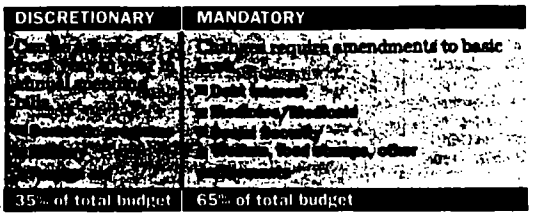
The White House has proposed spending reductions of $144 billion over the next five years, with $101 billion of those coming in discretionary spending. But $63 billion of that total would go to pay for Clinton's package of middle-class tax cuts and only $81 billion to deficit reduction.

The Pentagon would bear the brunt in budget cuts this year,

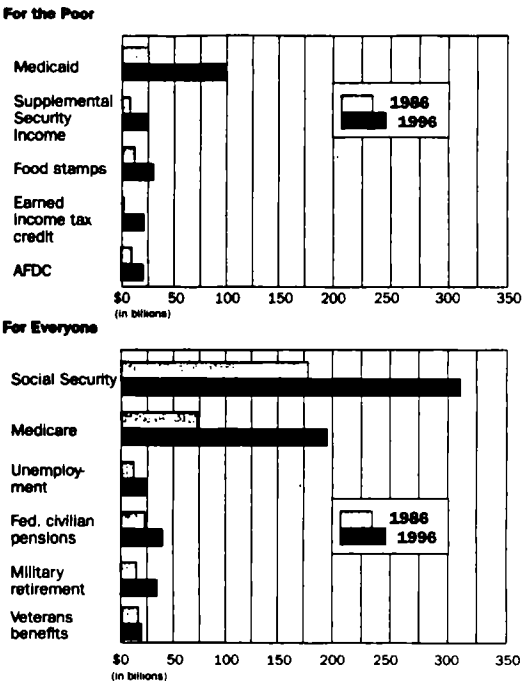
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The Untouchables

The federal budget is divided between discretionary and mandatory spending.

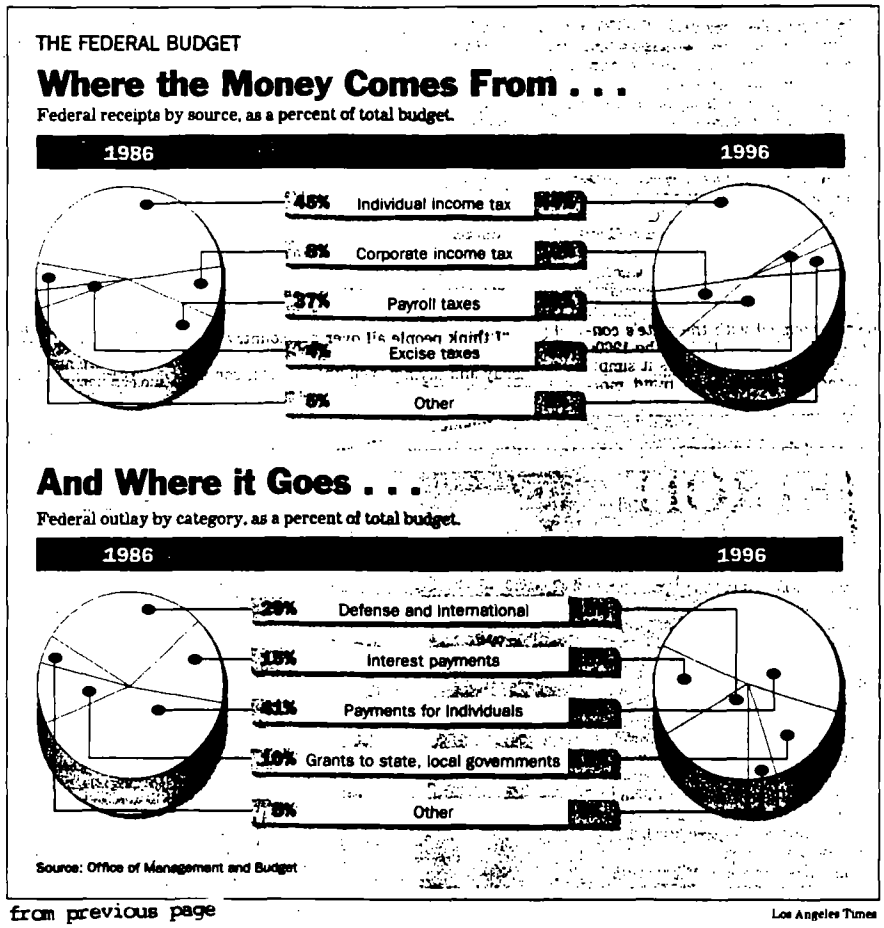


The Growth in Entitlements



Source: Office of Budget and Management

Los Angeles Times



Los Angeles Times

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taking a $9.9-billion reduction despite Clinton's pledge to increase military spending by $25 billion over the next six years. International programs, led by foreign aid, would take a modest $1.1-billion cut.

Some of the biggest savings on the domestic side would come as a result of overhauling five agencies as part of the Administration's "reinventing government" initiative. The White House said that it can gain $26 billion in savings from program consolidations and job cutbacks in the departments of Energy, Transportation and Housing and Urban Development, the Office of Personnel Management and the General Services Administration. Transportation would endure some of the biggest hits, with cuts totaling $7 billion.

But in spite of Clinton's proposal to eliminate 130 programs and consolidate more than 270 others over the coming five years, overall domestic spending would actually rise by $6 billion in 1996.

That's because some of the savings would go to fund a $9.7-billion jump in funding for Clinton's long-cherished "investment agenda," including Head Start, education, job training and technology programs.

In addition, the Justice Department's budget would grow by 14.4%, providing funds to build more prisons and give the Drug Enforcement Administration more resources.

Rivlin conceded Monday that the programs and agencies slated for elimination are all small and would not generate large savings.

Indeed, a list of the programs slated for elimination or consolidation reads like a catalogue of petty government obsolescence: the Interstate Commerce Commission, the helium reserve, which dates back to the days of dirigibles; the rural telephone bank; the Agriculture Department's cattle tick program; the Interior Department's rural abandoned mine program; the Trust Territory office for Palau.

Yet the Administration shied away from taking a bolder approach to cost-cutting and refused to propose the elimination of any major Cabinet departments, leaving that to the Republicans.

As a result, there will be plenty of room for more radical action by the Republican leaders—if they are willing to follow through on their promises. Clinton even refused to touch the National Endowment for the Arts, one of the favorite targets of Republicans. His budget would give the agency a slight $1-million increase in 1996.

The Clinton budget was unveiled as the Senate entered its third week of debate on the proposed balanced-budget amendment to the Constitution, and so congressional Republicans seized on the White House refusal to impose stiffer cuts to prove that without a constitutional measure to force their hands, Democratic leaders never will balance the books.

But along with routine attacks from Republicans, Clinton found his budget being savaged by leaders of his own party Monday. In a sign of just how far the President's political fortunes have fallen, Democrats in Congress felt free to criticize him for failing to tackle entitlements or to use his budget to make a strong political statement of any kind.

Sen. Bob Kerrey (D-Neb.), co-chairman of the Bipartisan Commission on Entitlement and Tax Reform, faulted the President for failing to call for an overhaul in Social Security and other entitlement programs that are driving current deficits and will push them dramatically upward at the end of the century.

"The President's budget message and the likely congressional response continues to ignore our biggest and most dangerous fiscal problem," said Kerrey. House Budget Committee Chairman John R. Kasich (R-Ohio) called the budget outlined by Clinton "a great disappointment" that would leave future generations saddled with debt. "The President came eyeball-to-eyeball with change and he blinked."

But as the Republicans were attacking Clinton, they found themselves responding to mounting criticism for delaying their own plans for spending cuts to pay for their sweeping agenda. Kasich, who had promised to present an alternative Republican budget by the end of January has delayed his plans for at least two months.

Clearly annoyed by reports that his promised spending cut plan has met with strong resistance within Republican ranks, Kasich promised the blueprint by "this spring sometime."

Times staff writer Melissa Healy contributed to this story.

LINE-ITEM, from p. 1

provide payments to everyone who is eligible and do not require annual appropriations.

Supporters of the line-item veto bill did not take issue with that argument, but they said the measure was a symbol and would enforce more discipline over spending.

"The line-item veto is not going to balance the budget," said Representative Gerald B. H. Solomon, a Republican from upstate New York. But he added: "You need the prodding of this legislation."

Until this year, most supporters of a line-item veto believed that their only option was a constitutional amendment. Article I, Section 7 of the Constitution provides for bills approved by Congress to be sent to the President, and then it states, "If he approves he shall sign it, but if not he shall return it." The section goes on to describe how Congress can override a veto by a two-thirds vote.

The sponsors of the legislation this year were afraid they could not get the two-thirds vote of both houses and the approval of the legislatures of three-quarters of the states necessary for a constitutional amendment. In any event, they were too impatient to wait for that to happen.

They agreed that the worst case, if a bill were passed, would be that someday the Supreme Court would find the legislation unconstitutional, and then they could go the route of a constitutional amendment.

The necessity for Presidents to approve or disapprove bills in their entirety considerably strengthens the hand of Congress. It means, for example, that if President Clinton had wanted last year to delete money for the Beluga Whale Committee, a favorite of Republican lawmakers in Alaska, he would have had to veto a bill that also contained essential money designated for border patrolling and for the Federal Bureau of Investigation.

Over the three days of debate — two days last week and today — Democrats offered various proposals that would have allowed the President to single out spending items he disapproved of. Congress could then have reinstated the spending by majority vote. But these proposals were rejected handily on party-line votes as Republicans insisted that the President should get his way unless Congress voted to overturn him with two-thirds majorities.

The governors of most states have the authority to make line-item vetoes. The idea of applying the line-item veto in Washington gained currency in the years when Republicans seemed to have permanent control

Another major change in the structure of Government.

of the White House and the Democrats of Congress. Conservatives argued that the President needed the power to kill the pet projects of Democrats that regularly found their way into appropriations bills.

Now, of course, the political tables have turned. But having harped on the matter for so long and having written it into the Contract With America, the platform for their election last November, Republican representatives had little alternative but to vote for it this year.

In the cloakrooms today, some lawmakers in both parties were whispering about what they saw as a loophole in the measure under consideration. Because it was being approved as a statute rather than a constitutional change, all Congress would have to do to get around it would be to pass another law by majority vote, not two-thirds.

For instance, a future spending bill could simply state that the line-item veto provisions would not apply to that particular bill. Or the bill could state that the line-item authority would not apply to particular items in the bill.

Opponents of the line-item veto said that they assumed many Presidents would use the veto authority responsibly and only veto genuinely wasteful spending. But they suggested that Lyndon B. Johnson might have used it for political punishment and stricken projects in the districts of lawmakers who voted against him on Vietnam, and that Richard M. Nixon might have done the same for those who threatened to impeach him for Watergate crimes.

No one knows how President Clinton would use the power. But Republicans this year are proposing spending for items like the "Star Wars" missile defense system that Mr. Clinton might be expected to delete.

N.Y. Times; 2-7-95

Anti-Abortion Group Uses Transcript of 1978 Hearing to Attack Surgeon General Nominee

By JERRY GRAY
Special to The New York Times

WASHINGTON, Feb. 6 — A partial transcript from a 1978 Federal hearing made public today by an anti-abortion group created new problems for the nomination of President Clinton's choice for Surgeon General, suggesting he had performed many more abortions than he had acknowledged.

The nominee, Dr. Henry W. Foster Jr., vehemently denied through a spokeswoman that the transcript revealed his record, which he accused anti-abortion forces of misrepresenting. But as controversy grew over the obstetrician and gynecologist from Tennessee, Mr. Clinton appeared to soften in his support, telling reporters that he would back Dr. Foster "if the facts are as I understand them to be."

According to the one-page transcript released by the National Right to Life Committee, a speaker identified as Dr. Foster is quoted as saying, "I have done a lot of amniocentesis and therapeutic abortions, probably near 700." According to a notation at the top of the page, the transcript was of a meeting of the Ethics Advisory Board of the Department of Health, Education and Welfare in Seattle on Nov. 10, 1978.

That panel was formed to research whether Federal grants should be made available for research on fetal tissue. Such research was ultimately approved.

"He flatly denies that this is a representation of his record in this transcript," said Avis LaVelle, the spokeswoman. "The transcript does not indicate what Dr. Foster this might be, but nowhere on that page does it say Dr. Henry Foster. But we are researching to see just what the facts are."

The transcript appears to deal with a procedure for studying fetuses, as well as various techniques for inducing abortion. The comments are only those of the speaker identified as Dr. Foster and do not make clear whether the speaker was a member of the panel or a witness.

Both Ms. LaVelle and the White House chief spokesman, Michael McCurry, acknowledged that Dr. Foster was a member of the ethics advisory board from which the transcript was produced, and neither questioned that the document was part of the official record. But they said they were checking to see if Dr. Foster attended the Nov. 10, 1978, hearing in Seattle. In any case, they said, he "flat outright denied" making the statement.

"Since he is pretty adamant that he didn't do 700 therapeutic abortions or amniocentesis, we are trying to figure out if this was a garbled transcript or what," Mr. McCurry said. "We're still trying to get more information on this transcript."

A therapeutic abortion is one loosely defined as considered necessary by a doctor. An amniocentesis is a procedure by which doctors draw amniotic fluid during pregnancy to determine a genetic disorder in a fetus.

Nowhere in the portion of the transcript that is in dispute does the speaker give a breakdown of how many of either procedure the doctor had performed.

The nomination of Dr. Foster as the nation's chief medical officer had already turned into a crucial political battle over the abortion issue, and the disputed page of testimony from 16 years ago could doom his chances for Senate confirmation and spell another embarrassing political defeat for Mr. Clinton.

As both sides in the abortion debate began drumming up national support today for a fight over the nomination, the White House sought to avoid having it become a "litmus test" over the question of choice. Whatever slim chance of avoiding that disappeared with the latest revelations made public by one of the country's most vocal anti-abortion groups.

"It does suggest that Dr. Foster has been far from candid," said Douglas Johnson, the legislative director of the National Right to Life Committee. "It certainly raises questions that some of the senators are going to want to follow up."

Dr. Foster was nominated last Thursday to succeed Dr. Joycelyn Elders, whom Mr. Clinton dismissed as the nation's chief health officer on Dec. 9 of last year. On Friday, the 61-year-old obstetrician said that during his 30-year medical career, "as a private practicing physician," he had delivered more than 10,000 babies, but had also performed some abortions.

Initially, the White House had told Senator Nancy Landon Kassebaum, Republican of Kansas, that Dr. Foster had performed only one abortion. Ms. Kassebaum heads the Senate committee that will consider the nomination.

But in Friday's statement, the doctor said, "In that period of almost three decades as a private practicing physician, I believe that I performed fewer than a dozen pregnancy terminations." He added that "all were in hospitals and were primarily to save the lives of the women or because the women had been the victims of rape or incest."

In the Senate, the majority leader, Bob Dole, Republican of Kansas, and other top Republicans warned during the weekend that the nominee would face a difficult time on Capitol Hill. Under the immediate and intense pressure from religious and right-wing political groups opposed to abortion, some moderate Republicans who will likely be the deciding voice on Dr. Foster's nomination

Wash. Post; 2-7-95

Surgeon General Pick Gets Cautious Support

Foster Denies Allegation by Abortion Foes

A3

By Ann Devroy and John Schwartz
Washington Post Staff Writers

President Clinton yesterday said he would stand behind his nominee for surgeon general, Tennessee physician Henry Foster Jr., if the doctor's assertions of last week that he performed fewer than a dozen abortions are true.

Clinton offered his conditional backing of Foster as the administration dismissed as untrue an allegation by antiabortion groups that Foster has been heavily involved in abortion.

Foster, through a spokeswoman, flatly denied that. White House press secretary Michael McCurry said the president's caution was based on a "weird" transcript of a 1978 meeting that suggests Foster performed many therapeutic abortions. McCurry said the president's comments should not be construed as displaying anything but "full support," and some congressional Democrats and abortion rights organizations said they have been flooded with calls from around the country supporting Foster.

Clinton was asked in an Oval Office exchange with reporters whether he stands behind Foster, who has been the subject of a furious lobbying campaign by abortion foes since the president announced last week his intention to nominate him for the surgeon general post. "If what he has done is what he has said he has done, I don't think that would disqualify him," Clinton said.

He said he would fight for Foster "if the facts are as I understand them to be."

"We're going to have hearings. It's going to go forward," Clinton said. "If the facts are no different than I understand them to be, I don't understand why he'd be in trouble.

Clinton noted that Foster had delivered 10,000 babies and "devoted his life to bringing babies into the world." As for abortion, Clinton said, "It is after all the law of the land."

The newest issue is a transcript purporting to be of Foster statements during a meeting of an ethics advisory board to the then-Department of Health, Education and Welfare. The transcript, circulated by two antiabortion groups, quotes Foster as discussing a proposal for therapeutic abortions and noting, "I have done a lot of amniocentesis and therapeutic abortions, probably near 700."

Foster, through HHS spokeswoman Avis LaVelle, "absolutely" denied the statement. LaVelle said, "I talked to Dr. Foster about this. He flatly and totally insists that he has not done 700 of these procedures. He says the entire statement is untrue."

Amniocentesis and therapeutic—or induced—abortion are two different procedures. In amniocentesis, a doctor inserts a needle into the uterus around the 15th week of pregnancy and draws out a sample of amniotic fluid. In some cases, women make the decision to have an abortion on the basis of information gained from testing of the fluid, such as the presence of a birth defect.

A method sometimes used for late-term abortions involves injecting saline solution or hormones called prostaglandins to stimulate labor.

The transcript could not be independently verified. White House and Health and Human Services officials said they were searching their own records to find the advisory meeting records that the National Right to Life Committee and the International Foundation for Genetic Research were circulating yesterday. Administration officials suggested the transcript could be mistaken, released out of context or doctored.

But the allegation caused a new storm of protest by antiabortion groups and warnings from senators that they want a full vetting of the nominee and access to a full FBI background check—a process that takes six to eight weeks—before going forward with hearings on the nomination.

The administration has been on the defensive over Foster since announcing his selection and declining to say whether he had performed abortions. A day later, Foster put out a formal statement saying he had performed fewer than a dozen such procedures. Senate Labor and Human Resources Committee Chairman Nancy Landon Kassebaum (R-Kan.), whose committee will handle the nomination, said she had been told he had done only one abortion and she had been misled by the White House.



BY LARRY MORRIS—THE WASHINGTON POST

Henry Foster Jr. and President Clinton answering questions earlier this month.

Officials last night said HHS officials had misunderstood Foster's answer to a question on whether he had performed abortions and construed his answer to be one abortion, and passed that information along. The White House yesterday said it regretted offering erroneous information, but one official not directly involved in the nomination raised questions about whether Foster had been thoroughly vetted as to the full facts of his career before the announcement.

A senior administration official said yesterday that the "confusion" over Foster's history had caused "a lot of anxiety in Congress" and in the administration. The official said that Clinton was "fully aware" when he announced Foster's selection that he had performed abortions and "it does not matter if it was one or many. . . . It is a legal procedure."

Foster received renewed support yesterday from the medical community and from abortion rights organizations. William Andrews, president of the American College of Obstetrics and Gynecology, said yesterday, "He's a very worthwhile man who's done a great deal of good," especially in the area of reducing unintended pregnancies among teens through his "I Have a Future" foundation, which he founded in 1988 and which was recognized by the Bush administration as one of the "Points of Light."

Andrews said "a majority of ob-gyns would have done that many or more" abortions in the course of a career, especially in the years before the proliferation of relatively inexpensive abortion clinics. Andrews said "it was considered in the past part of your responsibility to your patients unless you had moral or religious objections." Recent polls of obstetricians and gynecologists show that about 15 percent have strong objections to abortion.

Judith M. DeSarno, president of the National Family Planning and Reproductive Health Association, said that Foster's years of work to prevent unintended teen pregnancy far outweighed the importance of any abortions he may have performed. "All of a sudden for this to get focused on abortion is a tragedy," she said. "It's a tiny, minor piece of his background."

Conservative groups tried to capitalize on the confusion at the White House. Ralph Reed, head of the Christian Coalition, criticized the White House for what he called "abysmally poor staff work" in preparing the nomination without ascertaining Foster's full record on the controversial abortion issue.

"This nomination is being presented to a new confident conservative Republican Congress and certain political realities accompany that change," Reed said. "I don't believe this president or this administration fully grasped that reality" putting together the nomination.

Senate Democrats said that their support for Foster was unchanged. Sen. Barbara A. Mikulski (D-Md.) said in a statement, "It is unthinkable to me that Dr. Foster would be kept from being the surgeon general because he performed legal medical procedures."

In the abortion rights community, the attacks on Foster sparked expressions of outrage. Ann Lewis, vice president for public policy for Planned Parenthood, said yesterday that its offices were "flooded with calls" from around the country supporting Foster. "The idea that a doctor with that kind of record would be somehow barred from holding public office is outrageous," she said.

Republican senators said the mysterious transcript could seriously affect the nomination. Sen. Don Nickles (Okla.), chairman of the Senate Republican Policy Committee, said that if the transcript is correct, "I don't think he's going to be confirmed, because he has a real credibility problem."

Sen. William H. Frist (R-Tenn.), who accompanied Foster to the White House for the nomination announcement, reserved judgment on voting for him. "I know Hank Foster as a physician and friend and can speak only of his credibility as a doctor and integrity as an individual. I look forward to learning more about Dr. Foster's background and his plans as surgeon general," he said.

Wash. Times; 2-7-95 p. 1

Critics of Dr. Foster look beyond abortions

Research, management also scrutinized

By Paul Bedard
THE WASHINGTON TIMES

Opposition to President Clinton's nominee for surgeon general mounted yesterday over a 1978 hearing transcript that raised questions about the number of abortions he has performed and a report he helped develop a "do-it-yourself" abortion pill.

As Catholic and anti-abortion groups stepped up their attacks on Dr. Henry W. Foster Jr., a Nashville, Tenn., gynecologist and medical educator, Senate GOP leaders privately said the nomination is in jeopardy because the White House has provided conflicting stories about his medical background.

"There are some very troubling things concerning his nomination," said Sen. Orrin Hatch, Utah Republican.

Senate leaders said no member had expressed support for the black educator. Aides to the leaders also said the doctor's management of financially troubled Meharry Medical College of Nashville and his 17-year tie to Planned Parenthood would be probed in Senate hearings.

The White House conceded yesterday that it misled Senate leaders last week when it said Dr. Foster performed just one abortion during his 30-year medical career. Anti-abortion groups provided Senate opponents documents that detail the gynecologist's record.

The papers, supplied by the International Foundation for Genetic Research, commonly known as the Michael Fund, raised new concerns in the Senate about the credibility of Dr. Foster, 61, and the administration's reports on his medical career, Republicans said.

For example, the group distributed an April 1981 Catholic News Service report that mentioned Dr. Foster's efforts to help the Upjohn Pharmaceutical Co. develop an abortion pill that he said women could use at home.

According to the article, Dr. Foster, who at the time was chairman of Meharry's department of obstetrics and gynecology, headed an Upjohn research team.

An Upjohn spokesman said that the drug, meant for use by women who were up to five weeks pregnant, wasn't produced. Joe Heywood added that the drug was never designed for use without medical supervision, as Dr. Foster claimed.

Also, the Michael Fund released a partial transcript from a Nov. 10, 1978, Department of Health, Education and Welfare hearing of the Ethics Advisory Board in Seattle in which Dr. Foster is quoted as saying: "I have done a lot of amniocentesis and therapeutic abortions, probably 700."

Avis LaVelle, spokeswoman for the Department of Health and Human Services, said Dr. Foster denies ever making that statement. "I absolutely did not say that," Ms. LaVelle quoted Dr. Foster as telling her.

Mr. Clinton urged critics to wait for the hearings. "We're going to have hearings. It's going to go forward," he told reporters in the Oval Office. "If the facts are no different than I understand them to be, I don't understand why he'd be in trouble.

"I'm going to fight for it," the president said, noting that the right to abortion "is the law of the land."

Under pressure from Republican Senate critics and dozens of Catholic and anti-abortion groups, Dr. Foster released a statement last week in which he said he performed "fewer than a dozen" abortions in his career.

A day earlier, adminstration officials said he had performed only one abortion.

"First they said he didn't do abortions, then they said he did one, then he says he did less than a dozen, now this. What's going on?" asked a key Republican Senate aide.

"Credibility has become the top issue," added an official in the Republican leadership's office. "Abortion isn't the only issue. We're looking now into what he told the White House, his financial management at Meharry and malpractice," said the official, who spoke on the condition of anonymity. "This nomination is in very serious trouble."

At the White House, spokesman Michael McCurry expressed concern over the questions raised by Republicans about Dr. Foster, a former acting president of Meharry and director of the acclaimed "I Have a Future" program, which helps teach Nashville teens to avoid drugs, physical violence and pregnancy. It also encourages the distribution of condoms to teens.

"Sure, we are always concerned when people indicate opposition to such a highly qualified and respected nominee. It would be unfortunate if they take the nomination of Dr. Foster and turn that into a litmus test on choice. But apparently in some quarters on Capitol Hill there is a desire to do that," he said.

Mr. McCurry added that "President Clinton remains very firmly committed" to supporting Dr. Foster, named Thursday to replace Joycelyn Elders, who was fired for saying it was a good idea to teach schoolchildren about masturbation.

At least one group came to Dr. Foster's defense.

Kate Michelman, president of the National Abortion and Reproductive Rights Action League, said at a news conference: "This is just another effort at intimidation by a radical minority that wants to deny American women their right to choose. This anti-choice McCarthyism is abhorrent and has absolutely no place in our pluralistic democracy."

But Senate Republicans continued to raise concerns.

Senate Majority Leader Bob Dole, Kansas Republican, said the nomination is in jeopardy.

Also, Sen. Bill Frist, the Tennessee Republican who joined Dr. Foster in Thursday's Oval Office nominating ceremony, announced he won't decide how to vote until the Senate Labor and Human Resources Committee hearings are over. He had been expected to shepherd the nomination.

"While I would like to be able to support Dr. Foster, I will not make a decision on his nomination until complete information on his background, his proposals if confirmed and the administration's plans for his role as surgeon general are made available," Mr. Frist said in a prepared statement yesterday.

An aide to a key Republican senator said if the nomination comes down to a debate about abortion, "the nomination will go forward. Many people feel the president should have his nomination unless there is some illegality or unethical behavior. That's what we are looking at."

Republicans are teaming up with pro-life groups to research Dr. Foster's medical background before the nomination hearings.

USA Today; 2-7-95

Attack on nomination intensifies

By Mimi Hall and Judy Keen
USA TODAY

4A

Eager to sink Henry Foster's nomination as surgeon general, conservatives Monday issued a partial transcript seeming to contain an admission that he performed many more abortions than he has acknowledged.

Foster denied the accusation, and the single page did not further identify "Dr. Foster," letting his backers question whether the statements attributed to him are his.

But the transcript, which White House spokesman Mike McCurry called "weird," raised another round of questions for an already troubled nomination.



USA TODAY

FOSTER: Document raises questions

Faxed to reporters and senators by the National Right to Life Committee and other groups against abortion, the testimony is given in 1978 by a "Dr. Foster," who says he'd performed up to 700 amniocentesis genetic tests and therapeutic abortions. The groups wouldn't supply the rest of the transcript.

President Clinton knew Foster, a Nashville obstetrician-gynecologist who developed a teen pregnancy program that gave out condoms, would be controversial.

But the transcript is "directly at odds with what we have been told by the nominee," McCurry said.

Despite Foster's denial that he ever performed that many tests or abortions, the transcript raised concerns at the White House and eyebrows on Capitol Hill, where Foster needs Senate approval.

McCurry said Clinton knew before he announced the nomination that Foster, 61, had done abortions. Friday, Foster told the White House it was "fewer than a dozen."

If Foster's nomination is derailed, it will be the latest in a series of troubles Clinton has had with nominees and Cabinet members.

Foster, conservative critics like to say, is "Elders Lite," a man with similar views to those of former surgeon general Joycelyn Elders, fired by Clinton in December after she said schools might consider teaching about masturbation.

Senate Majority Leader Bob Dole and others said earlier that they'd hold a hearing, probably in March. But Republicans are under pressure from conservatives to oppose the nomination.

"The final vote will tell us more about the U.S. Senate than it will about Dr. Foster, about whom we already know enough," said commentator Patrick Buchanan.

"To me, it's sort of strange that people are attacking him, because he's been preaching abstinence, which the right-wing groups also are preaching," said William Andrews, president of the American College of Obstetricians and Gynecologists.

▶ Clinton will fight, 1A

USA Today; 2-7-95 p. 1

Group suggests Foster performed many abortions

By Mimi Hall and Judy Keen
USA TODAY

Abortion rights opponents Monday escalated the battle over Henry Foster's nomination as surgeon general, claiming he once said he performed possibly hundreds of abortions, not "fewer than a dozen" as he said last week.

The White House says Foster flatly denies making a statement attributed to him in a paper distributed by the National Right to Life Committee.

And President Clinton said he'd fight for the nominee as long as "the facts are as I understand them to be."

The 1978 transcript includes part of testimony the group says Foster gave as a member of the Ethics Advisory Board of the Department of Health, Education and Welfare.

In an apparent discussion of amniocentesis — a genetic test done during pregnancy — a "Dr. Foster" said, "I have performed many amniocentesis and therapeutic abortions, probably near 700."

Late Monday, White House spokesman Mike McCurry said Foster "assures the administration in no uncertain terms he has not performed 700 abortions or 700 amniocentesis."

The number doesn't matter, says commentator Patrick Buchanan: "Even a part-time abortionist is, de facto, unqualified to ascend the bully pulpit of surgeon general and lecture as a moral teacher."

▶ Called 'Elders Lite,' 4A

Balt. Sun; 2-7-95

Effort to replace Elders has been made difficult

2A



JACK GERMOND & JULES WITCOVER

WASHINGTON — In the nomination of Dr. Henry Foster Jr. to be surgeon general, President Clinton and his advisers have once again demonstrated their special talent for making things more difficult than they need to be.

The choice of Dr. Foster was meant to be a positive statement because of the special reputation the Nashville obstetrician-gynecologist had acquired for his efforts to discourage teen-age pregnancies.

But the White House had to know from the outset that choosing someone with such a specialty would raise questions about abortion.

The safe thing would have been for the president to choose instead some state public health official with a different area of expertise; nobody demonstrates against orthopedists.

But, having opted not to take the easy way, the White House made things infinitely more difficult by appearing defensive on the question of whether Dr. Foster had ever performed any abortions.

First, Sen. Nancy Kassebaum, chairwoman of the Senate Labor and Human Resources Committee, was told there had been just one. Then the White House had to admit that this was "an honest mistake" and that he had performed "fewer than a dozen," most of them involving cases of rape, incest or danger to the mother.

And, the White House quickly added, over his long career Dr. Foster had delivered more than 10,000 babies. The implication was that this record might atone for the abortions.

The political mistake was, of course, getting into the numbers game at all.

The fact is that Dr. Foster was not primarily an abortionist, but it is no surprise to discover that someone with his resume performed the procedure on occasion. And, most to the point, he did so at a time when it was perfectly legal.

So why should either the nominee or the president be thrown on the defensive?

We all know there are millions of Americans who oppose abortion under any circumstances. But the law allows abortion, so there is no reason Dr. Foster should appear to be hemming and hawing — and, inevitably, recalling candidate Bill Clinton admitting in 1992 that he had smoked marijuana in England but never inhaled.

The mistake was made, however, and the stage is now set for another full-scale brouhaha over abortion rights. White House press secretary Michael McCurry had to be kidding when he said he hoped the nomination wouldn't be used as "a litmus test on choice." Already the air is full of complaints that Dr. Foster has been involved in Planned Parenthood.

The president, meanwhile, has little or no room to maneuver on this nomination. He cannot easily absorb the political abuse he would suffer if he ended up replacing Joycelyn Elders because she was too controversial with another nominee who is too controversial, even if far more circumspect than Dr. Elders in his choice of language.

Nor can Clinton forget the Lani Guinier episode almost two years ago — the nomination of and then withdrawal of Guinier to be assistant attorney general for civil rights because of a controversy over some of her writing as an academic. The decision to throw Guinier over the side still rankles with some black leaders in the Democratic Party.

In that case, however, the president had a fig leaf — his story that he had learned about Guinier's ideas and articles only after nominating her and was pulling back simply because he found he didn't agree with those ideas and articles. That kind of excuse clearly won't wash with Dr. Foster.

On the face of it, the Republicans should be applauding the choice of someone devoted to preaching sexual abstinence and preventing teen-age pregnancies. That approach would seem to square with the "family values" so many conservatives like to talk about these days. But abortion is a red flag issue, so some heat is inevitable.

The irony is that things seemed to have been picking up for Clinton. His poll ratings were improved, he had shown strength and leadership on Mexico, trade with China and the baseball strike.

But now another case of clumsiness in the White House has given aid and comfort to his enemies — and put Dr. Foster's nomination in some jeopardy.

L.A. Times; 2-7-95 p. 1

Clinton Vows to Fight for Pick as Surgeon General

By JACK NELSON
TIMES WASHINGTON BUREAU CHIEF

WASHINGTON—Facing up to the prospect of a bruising battle with the Senate's new Republican majority over the explosive issue of abortion, the White House vowed an all-out fight Monday to win confirmation for Dr. Henry Foster Jr. as surgeon general.

Republican leaders said the nomination is in trouble and anti-abortion forces declared unyielding opposition to the nominee, who has acknowledged performing fewer than a dozen abortions in 30 years of practice as an obstetrician-gynecologist.

The issue is rapidly becoming a test of post-November backbone for the embattled White House.

Cont'd on next page

THE GREEN SHEET

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FOSTER: Clinton Vows to Fight for Nominee

from previous page

Some Democrats pointed out that it would not be out of character for Clinton to pull the plug on the nomination if overwhelming Republican opposition develops in the Senate. But doing so could deal another blow to the President's image—both as a leader and as a champion of minorities, who constitute a substantial part of his political base.

Clinton told reporters he would fight for Foster, who is black, "if the facts are no different than I understand them to be." Several senior White House aides said in interviews that the President has declared he is resolved to fight to the finish regardless of the extent of the opposition.

The President noted that Foster had "devoted his life to bringing babies into the world." As for abortion, Clinton said, "It is after all the law of the land."

"The President is totally committed to Dr. Foster," said George Stephanopoulous, one of the aides. "He will see it through to the finish. He's not going to back away."

Another aide, who asked not to be identified, said: "This is a pretty fundamental fight about the right to choose and the Republicans are drifting quickly into making this a litmus test on abortion and asking members of their party to oppose Dr. Foster because he's pro-choice.

"That's not where this President is and that's a fight that defines where the Republicans are on this issue," the aide said.

Clinton announced his nomination of Foster, a Nashville, Tenn., physician, Thursday. Opposition developed the next day after the White House disclosed that Foster had performed fewer than 12 hospital abortions, mostly to save a mother's life or in cases of rape or incest.

Republican leaders have said the nomination faces an uphill struggle. The National Clergy Council, a network of more than 3,000 Catholics and Protestants, said it would use every means possible to defeat Foster's selection because he has performed abortions and has been active in the Planned Parenthood Federation of America.

Another development Monday threatened to generate more opposition. Gary Bauer, president of the Family Research Council, renewing his call for Clinton to withdraw Foster's nomination, issued a statement claiming that newly discovered information links Foster to hundreds of abortions.

Bauer cited a comment that he said Foster made at a Nov. 10, 1978, meeting of the Ethics Advisory Board of the Department of Health, Education and Welfare in Seattle. Attached to Bauer's statement was a page from a transcript that purports to show Foster telling the board: "I have done a lot of amniocentesis and therapeutic abortions, probably near 700."

Foster denied the statement, according to HHS spokeswoman Avis LaVelle. "I talked to Dr. Foster about this," LaVelle said. "He flatly and totally insists that he has not done 700 of these procedures. He says the entire statement is untrue."

Amniocentesis are quite different from therapeutic abortions. Amniocentesis involves drawing a sample of amniotic fluid during pregancy and conducting tests to determine the health of the fetus. If the tests reveal birth defects, women sometimes choose to have abortions.

After learning of Bauer's statement, Clinton said: "We're going to have hearings. It's going to go forward. If the facts are no different than I understand them to be, I don't understand why he'd be in trouble."

Asked why Clinton appeared to make his support of Foster conditional on whether the doctor had told the truth about his record, White House Press Secretary Mike McCurry said that opponents of the nomination were circulating a "weird transcript" that purports to represent Foster's record on abortions. McCurry declined to elaborate.



Associated Press

The White House vowed an all-out fight Monday to win confirmation for Dr. Henry Foster Jr. of Tennessee as surgeon general.

Opposition to the Foster nomination by Republicans and anti-abortion groups was a major topic at Monday's senior staff meeting at the White House. Afterward, an aide said, "nobody here would think of backing away from the Foster nomination. He is a Planned Parenthood guy, not an abortion activist. This is one the public will back us on."

Yet the Clinton record of abandoning nominations that run into heavy sledding has left some Democrats uncertain whether the President will stand firm if opposition heats up. Only a week ago Clinton withdrew his nomination of Robert Pastor, a close associate of former President Carter, to be ambassador to Panama after Chairman Jesse Helms (R-N.C.) of the Senate Foreign Relations Committee vigorously opposed it.

Earlier in his Administration the President backed away from several nominations that ran into trouble: Zoe Baird and Kimba M. Wood to be attorney general; C. Lani Guinier, to be head of the Justice Department's civil rights division; and Bobby Ray Inman to be defense secretary.

A veteran Democratic official, who declined to be identified, said that "based on Clinton's record," he would not be surprised to see the President withdraw the Foster nomination if overwhelming Republican opposition does develop in the Senate.

"But if he asked my advice," said the Democrat, "I'd say you can afford to lose this fight but you can't afford to run from it. I think most people would agree with that."

A senior Clinton aide shared that assessment, saying: "This is a fight we can't lose if we fight it to the finish. If the nomination goes down, the Republicans will be defeating a doctor who was recognized as a Point of Light by President George Bush for working to avoid teen-age pregnancy. If the Republicans defeat Foster, it will help Americans understand how extreme part of the Republican majority can be."

MARY McGRORY

Wash. Post; 2-7-95

Backing Up Child Support

Needled and nagged by the women of the House, from both parties, but especially their own, the Republican Congress is finally addressing one of the most obvious and easily remedied welfare ills, the child support system.

Child support seems an issue made for Republicans. It preaches fiscal responsibility and family values, and offers those opportunities for self-righteousness at the expense of the undeserving poor, which have made up so much of their rhetoric over the years.

Mysteriously, child support didn't make the famous contract. And it took hours of one-minute speeches and special orders from militant women to wake up the GOP leadership to the indisputably awful realities of the child support system. Fixing it would do more than anything else under contemplation to assure "the end of welfare as we know it," which is the stated goal of both Congress and the White House. Of $48 billion authorized for collection, only $13 billion is brought in. It's the children who pay.

Rep. Constance A. Morella (R-Md.) is fond of pointing out that while the national default rate on car payments is only 3 percent, our default rate on child support payments is 39 percent. Says Rep. Barbara B. Kennelly (D-Conn.), one of the prime agitators for change, the Republican contract "ignored the role of the father—it takes two, you know. Most of the people who wrote the contract are men. They are looking at the young mother only. Besides, there are a lot of second marriages. Many men who remarry want to move on; they just want to forget their first families."

The giraffe-hunters, as Speaker Newt Gingrich (R-Ga.) called his kind, wanted to punish ghetto hussies.

The women would have none of it. They wore down their brothers in every meeting they attended. Reps. Nancy L. Johnson (R-Conn.) and Marge Roukema (R-N.J.), both serious students of welfare and child support, were the lead agitators. They had the unanimous backing of the bipartisan, 38-member Women's Caucus of the House.

Finally, the House leader on welfare reform, Rep. E. Clay Shaw Jr. (R-Fla.), gave in. "We will take it up," he told the women.

The Ways and Means subcommittee on human resources opened hearings in a crowded room on the uniform Child Support Enforcement Act of 1995. The first panel on tough new legislation that proposes lifting of driver's and professional licenses for deadbeat dads, not to mention garnishing their wages, was made up of the women who made it happen: Johnson, Roukema, Kennelly and Morella. They were joined by Rep. Henry J. Hyde (R-Ill.), chairman of the Judiciary Committee.

All agreed on the necessity of a central registry, on which all parents would be listed, and interstate cooperation. The only disagreement was over the method of collection. Hyde advocates putting the IRS in charge.

Kennelly, who favors collection by the states, said it was her understanding that the IRS has more than enough on its plate.

That is perhaps an important question, but the biggest question about welfare reform has yet to be discussed. That is the decision, taken by the Republicans, to turn the whole welfare problem back to the states. Governors think there should be no strings attached to the mammoth block grants that will be theirs if the Republican plan passes.

Have we thought about this? Do we think the states will be uniformly fair and decent? Do we trust Mississippi? It has the lowest rate of AFDC, Aid to Families with Dependent Children, and the highest rate of out-of-wedlock births. Do we think that Mississippi will do a U-turn and begin being nice to teenage mothers and help them with day care and courses to teach them how to care for their babies and make sure they will finish high school? And New Hampshire, with its low benefits. It is a state that thinks the best thing it can do for the poor is to drive them out of the state.

No one talks about this. Apparently, nobody reads the speeches of FDR, the great organ voice of federalism in this century. Yes, he governed a different country, one that was bankrupt and demoralized. But the principle of fairness endures. A reader from Georgia Southern University, Bob Dick, sends this telling excerpt from a 1936 speech to the Texas Centennial Exposition: "The more progressive of the states may do their share, but unless the action of the states is substantially uniform and simultaneous, the effectiveness of reform is nullified, crippled by the chiselers, who, like many other evil-doers, are, alas, still with us."

Today's argument is over details and logistics of collecting from delinquent fathers. Maybe someone should stop and consider if the nation, rather than the states, should be deciding the fate of creatures as valuable and fragile as our children.

USA Today; 2-7-95

Clinton gets a bump, Gingrich slides in poll

By Richard Benedetto
USA TODAY 4A

President Clinton, Congress and Senate Majority Leader Bob Dole are up, but House Speaker Newt Gingrich is down, in a USA TODAY/CNN /Gallup Poll on job approval.

Clinton, playing off a Republican-controlled Congress, saw his overall job-approval rating inch upward from 47% two weeks ago, before his State of the Union speech, to 49% now.

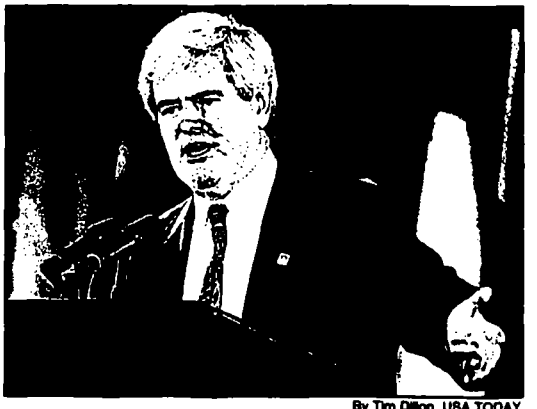
In that period, he also moved independently to ease Mexico's financial crisis, named Henry Foster, an obstetrician who performed abortions, to be surgeon general and called for an increase in the minimum wage.

The poll, taken over the weekend and with a margin of error of three percentage points, finds 77% back Clinton's plan to raise the minimum wage 90 cents over two years, to $5.15 an hour.

And 70% consider him willing to fight for what he believes.

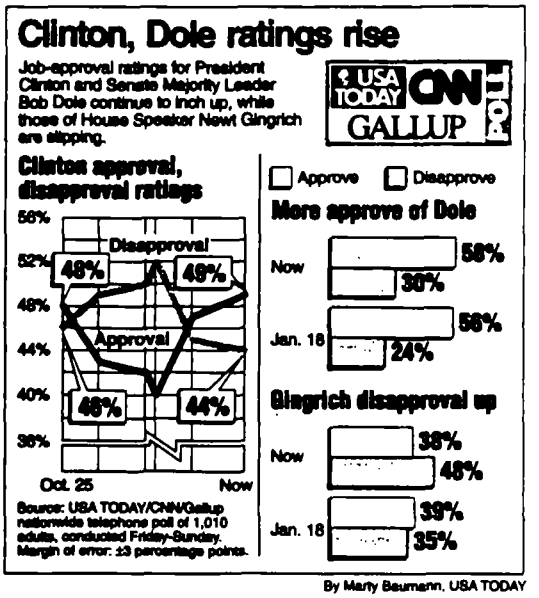
Meanwhile, the poll puts Congress' approval at 38%, its highest since September 1987.

And Dole's 58% approval has him smelling presidential roses. He plans to formally announce his 1996 bid in mid-April.



By Tim Dillon, USA TODAY

LOSING GROUND: House Speaker Newt Gingrich's disapproval rating rose 13 points to 48% in a USA TODAY/CNN/Gallup Poll.



By Marty Baumann, USA TODAY

But Gingrich, the latest lightning rod in a city accustomed to big personalities, is paying a price with the public.

His job approval fell one point to 38%, while his disapproval zoomed up 13 points to 48% — all in two weeks.

"Gingrich makes it easy for people to have negative opinions of him," says Everett Ladd, a spokesman for the non-partisan Roper Center for Public Opinion Research.

Gingrich forcefully pushes the GOP agenda and wastes few opportunities to castigate critics and comment on everything from giraffes to piglets. He also has been embroiled in a messy $4.5 million book deal.

But Ladd also notes that Clinton's 49% approval is "mediocre," and says the president seems unable to earn ratings over 50% and hold them there.

Even his well-received State of the Union speech two weeks ago failed to provide a sustained bounce, Ladd says.

"Overall, it's remarkable how few will budge in their opinions of him," he says.

Clinton's approval in handling the economy and foreign affairs remains static at 46% and 44%, respectively. And he holds at 45% in his ability to "get things done." Also:

▶ 46% say he's honest and trustworthy; 44% in December.

▶ 45% say he shares their values; 41% in December.

A new book on Clinton, *First in His Class*, further explores charges that he has had extramarital affairs and successfully avoided the draft.

But the poll finds 67% of Americans say sex allegations are irrelevant to his job as president. The relevancy judgment falls to 50% on the question of avoiding the draft.

As congressional Democrats struggle with their unfamiliar role as the minority, 55% say their leadership is part of the problem in Washington.

In contrast, Clinton and the GOP leadership are each rated as part of the problem by 46%.

USA Today; 2-7-95

Rio Hair Naturalizer Systems recall 3D

A popular hair product sold through television infomercials has been recalled by the Food and Drug Administration because it may cause hair to turn green or fall out.

The FDA has received nearly 100 reports of reactions to Rio Hair Naturalizer Systems, a product imported from Brazil and sold by World Rio Corp. of Los Angeles.

The reports range from hair and hands turning green to bald patches, including a few people who claim the product left them completely bald, says FDA cosmetics chief Dr. John Bailey.

Bailey says doctors believe the hair loss is not permanent. World Rio has stopped selling the relaxants but the FDA doesn't know how many people may have the products. However, a class action suit has been filed against the company. The FDA urged consumers who have experienced problems with Rio to notify their local FDA office or health department.

USA Today; 2-7-95

Team prenatal care may reduce C-sections

By Marilyn Elias
USA TODAY 3D

The rate of Caesarean births could be drastically cut if women had the option of using supervised nurse-midwives for most of their prenatal and labor care, a new study suggests.

"We found the primary determinant of whether you get a Caesarean is who's taking care of you, and apparently whether they favor a more aggressive approach to birth," says Dr. Kathryn Lee of the University of California, San Francisco.

The current U.S. C-section rate is 22.3%. There were 888,622 Caesareans in 1992, federal data show. Each Caesarean delivery costs about $9,400, $3,700 more than an average vaginal birth.

Lee and nurse practitioner Lynn Schimmel looked at the 1,634 births in a northern California hospital over the course of one year.

More than half the new moms, 885, were in the care of M.D.-only practices. The other 749 went to "collaborative" offices where nurse practitioners, certified nurse-midwives and physicians worked as a team. M.D.s didn't provide most prenatal care, and 75% of the women delivered using midwives only.

Lee and Schimmel controlled for factors known to raise C-section rates — large birthweight, first birth and extremes of maternal age (under 18 or over 35).

They found:

▶ A 9.3% Caesarean rate for the group-practice women vs. 17.7% for those who went to M.D.-only offices.

▶ The type of practice providing care was the key predictor of whether a woman had a surgical delivery or gave birth vaginally.

▶ Among mothers who had a previous Caesarean, 67% of all joint-practice patients delivered vaginally vs. 27% from the M.D.-only offices.

▶ Babies from the two medical groups were found to be equally healthy after delivery.

The findings cannot be generalized to women giving birth at home and/or using lay-trained midwives (not certified nurse-midwives) without an M.D. nearby, Lee stresses.

THE FEDERAL DIARY

Wash. Post; 2-7-95

Buyout—or Sellout?

By Mike Causey
Washington Post Staff Writer

Many federal employees contemplating buyouts say they are getting conflicting information about their health insurance status—whether they will be covered—if they take a buyout and retire.

In the next few weeks, tens of thousands of workers who are eligible for early or regular retirement must decide whether to take buyouts and depart by March 31.

Buyouts are a delightful end-of-career bonus for feds who are ready to go. But getting one of the $25,000 maximum payments won't be a bargain if it leaves the new federal retiree ineligible for Uncle Sam's excellent group-rate health insurance package.

Fortunately, most buyout takers will qualify for lifetime coverage under the federal health plan.

Most feds must be enrolled in one of the health plans for at least five years before retiring to keep their coverage after they retire. But under the buyout law (PL 103-226), agencies can waive that five-year rule for employees retiring between March 30, 1994, and March 31, 1995, when buyout authority ends for non-Defense employees. The Defense Department, which will continue to offer buyouts through 1999, can waive the five-year insurance eligibility rule for retirees during the duration of its buyout authority.

Some feds say they've been told that the rules were changed and that they no longer are eligible for insurance if they take a buyout. Others apparently were told that they could sign up for health insurance during the November-December 1994 open season and get eligibility. Not true. The Office of Personnel Management says the special policy applies only to employees enrolled in the insurance program as of March 30, 1994.

Agencies got the word in an April 13 OPM Letter to Insurance Officers. It is Bulletin 296.

People

Holly Wills, an analyst with the Defense Intelligence Agency, is retiring after 31 years of federal service. **David Wills**, her number one fan, says she's the best civil servant Uncle Sam ever had.

Joe Gorrell, associate director of administration for the National Park Service, is retiring this month after 42 years of service. He's on the board of directors of the Senior Executives Association.

D.C. Government Workweek

Two unions tentatively are proposing that District employees work—and get paid for—a 37½-hour week rather than their standard 40-hour week. The American Federation of Government Employees and the American Federation of State, County and Municipal Employees say the money saved would be a "loan" the city would repay when things improve. The offer is "contingent on the city opening up its books" so they can see whether the red ink justifies the cuts being proposed.

Living Life Insurance

Friday's column on the Living Life Insurance benefit apparently has made life uncomfortable for OPM.

The column pointed out that some insurance companies are advancing money to terminally ill employees and retirees—based on the value of their federal life insurance. Individuals get anywhere from 55 to 85 percent of the value of their policies if they make the company advancing them the money the beneficiary of the policy. Starting July 25, terminally ill workers and employees can get the full face value of their policies from the government, or they can take the money in $1,000 increments. That's a better deal because individuals don't lose any benefit, and they can leave some or most of it to a loved one.

OPM says it has only a limited number of the forms necessary to make the insurance assignment (Form RI 76-10), and they are available to "agencies and retirement systems on an as-needed basis only." Agencies should not request forms to stock their shelves, because the form is being revised. Agencies need to order enough of the revised forms on the coming February OPM publications request rider.

N.Y. Times; 2-7-95

Protein in Saliva Found to Block AIDS Virus in Test Tube Study

Finding may explain why H.I.V. infection from saliva is rare.

By LAWRENCE K. ALTMAN

Special to The New York Times

WASHINGTON, Feb. 6 — A small protein in human saliva blocks the AIDS virus from infecting human cells in the test tube, Federal scientists reported at a meeting here last week. The protein might help explain why the spread of the virus through saliva is apparently so rare, said the scientists, who were from the National Institute of Dental Research in Bethesda, Md.

The protein does not directly attack H.I.V., the AIDS virus. Instead, it seems to act indirectly, by attaching to the surface of white blood cells known as monocytes, thus preventing infection with H.I.V., said Dr. Tessie B. McNeely and Dr. Sharon M. Wahl, the scientific team leaders. They reported the findings at a meeting sponsored by the American Society for Microbiology.

The protein is known as SLPI (pronounced slippy) for secretory leukocyte protease inhibitor. It had been known by different names for many years until 1986, Dr. Wahl said, when its biochemical characteristics were identified through the efforts of Dr. Kjell Ohlsson, a Swedish researcher who identified a small amount from the 1,000 liters of saliva his son, a dentist, had collected in Sweden.

The dental institute team's findings are the result of an effort begun several years ago and grew out of observations made by many epidemiologists and laboratory scientists elsewhere about the nature of H.I.V. and how it spreads.

Almost from the time AIDS was first recognized in 1981, a major public fear was that the disease could be spread by saliva. Shared dishes, dental offices, bites by children playing in school or elsewhere, kissing and oral sex were all feared to be modes of transmission of saliva-borne virus.

But there have been only rare documented cases of H.I.V. transmission through saliva, and virtually all have involved oral sex , said Dr. Harold W. Jaffe, a top AIDS official at the Centers for Disease Control and Prevention in Atlanta. A few rare cases of H.I.V. infection may have been transmitted through saliva mixed with blood, he said.

The few cases of H.I.V. that have been transmitted through oral sex have led the centers to warn against the risks of that practice. But the agency says the risk of contracting H.I.V. from oral sex is much smaller than from vaginal or anal intercourse.

H.I.V. can be recovered from the saliva of infected people, but infrequently and nearly always in low amounts. The low yield has puzzled scientists because larger amounts of H.I.V. can be found in blood, in the fluid that bathes the brain and spinal cord, and other body fluids.

Thus a number of scientists have tested saliva for its anti-H.I.V. effects, and over the last 10 years they have reported finding that it had a general inhibitory effect on H.I.V. Among those reports was one in 1989 from a team headed by Dr. Philip C. Fox at the National Institute of Dental Research. But because Dr. Fox's team did not include laboratory scientists, they could not advance the research by seeking to determine whether specific components of saliva were responsible for the effect, Dr. Wahl said in an interview.

Understanding how a protein blocks the AIDS virus may be important.

It fell to her team of immunologists and biochemists at the dental institute to do the follow-up studies, Dr. Wahl said, adding, "We were less than thrilled at the time" because they thought the chance of making an important finding was a long shot. The team included Dr. Stephen P. Eisenberg and Dr. David J. Dripps.

To learn whether other body fluids had similar anti-H.I.V. activity, the scientists tested the synovial fluid that lubricates joints and the plasma portion of blood. But they found that there was something unique about saliva's anti-H.I.V. activity. They went on to test several components of saliva other than SLPI to determine whether any prevented infection in white blood cells but made little progress and eventually put the project aside.

One day a representative of Synergen Inc. of Boulder, Colo., stopped to discuss other work with Dr. Wahl and mentioned that his company had some purified SLPI. It was a component that the researchers at the institutes knew little about.

Synergen sent a supply. With further work, the scientists found that when they added SLPI to test tubes containing H.I.V. and monocytes, white blood cells with immune function, the viruses were unable to bind to the surface of the cell and therefore did not infect their usual targets. Tiny amounts of SLPI were strongly protective.

In a further step, the scientists found that even after they had washed SLPI out of the test tubes and added more H.I.V., the monocytes remained protected for three weeks.

"SLPI has as much anti-H.I.V. activity as whole saliva," Dr. McNeely said.

The team knows that SLPI does not react with CD-4, the receptor on the surface of immune cells in the blood that H.I.V. targets for destruction. So the team is now trying to identify precisely how SLPI blocks H.I.V. Because scientists do not have a full understanding of how H.I.V. infects cells, clarifying the mechanism by which SLPI blocks infection could have broader importance.

SLPI is believed to be a natural protector against the body's own protein-destroying enzymes. The protein is found in mucous membranes throughout the body and in low amounts of the blood. Another research goal is to measure amounts of SLPI in the genital-urinary and rectal areas and to determine if low levels contribute to the transmission of H.I.V. through sexual intercourse.

The researchers are also trying to determine whether there are other proteins in saliva that have anti-H.I.V. activity. And they are working with Synergen, which is now owned by Amgen Inc. of Thousand Oaks, Calif., to determine whether administration of SLPI to animals and ultimately humans could protect against H.I.V. infection or modify the virus's damage and improve health.

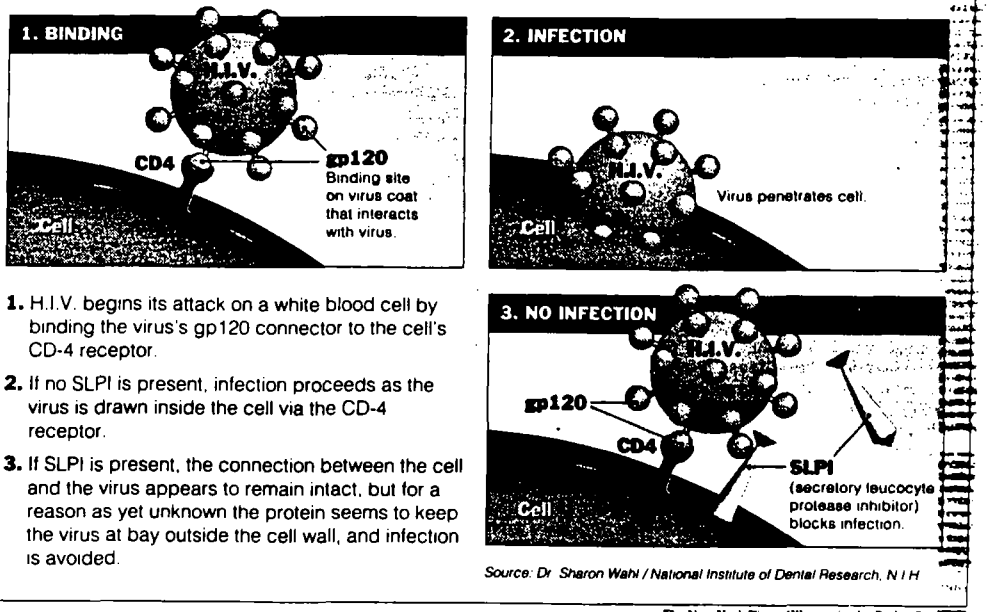
Like many other findings concerning AIDS, this one may lead to a dead end. But the finding might never have been made without the idle comment made in the Synergen visit to Dr. Wahl's office.

Also discussed at last week's meeting was a major unanswered question: if a way were found to stop

Cont'd on next page

A Possible H.I.V. Inhibitor in Saliva

H.I.V. seems to be blocked by a protein found in human saliva, perhaps explaining why the AIDS virus is so rarely passed through saliva. Scientists say the protein SLPI (pronounced slippy), for secretory leukocyte protease inhibitor, does not destroy the virus, but rather acts as a sort of barrier against H.I.V.'s infecting of two types of white blood cells, monocytes and lymphocytes, immunological cells that help fight infection.



1. H.I.V. begins its attack on a white blood cell by binding the virus's gp120 connector to the cell's CD-4 receptor.
2. If no SLPI is present, infection proceeds as the virus is drawn inside the cell via the CD-4 receptor.
3. If SLPI is present, the connection between the cell and the virus appears to remain intact, but for a reason as yet unknown the protein seems to keep the virus at bay outside the cell wall, and infection is avoided.

Source: Dr. Sharon Wahl / National Institute of Dental Research, N.I.H.

The New York Times/Illustration by Baden Copeland



Marty Katz for The New York Times

Dr. Sharon M. Wahl and Dr. Tessie B. McNeely in Bethesda, Md.

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replication of H.I.V., could a moderately or severely damaged immune system regain its function? If so, might one beneficial method be injections of proteins known as cytokines produced by the immune system?

Possibly, according to findings reported by Dr. Anthony S. Fauci, the head of the National Institute of Allergy and Infectious Diseases. His team found that intermittent injections of a cytokine known as interleukin-2, or IL-2, when combined with an anti-H.I.V. drug, can produce a striking and persistent rise in the CD-4 count.

IL-2 recipients doubled the number of CD-4 cells from a mean of 400 to a range of 800 to 1,000 cells, which is well within normal range.

The findings were based on a small study of 10 patients who received an infusion of IL-2 for five days every eight weeks. The study has since been expanded.

Dr. Fauci said that although such results have not been seen with anti-H.I.V. drugs, his team's research was too preliminary to necessarily mean that the therapy would improve the health of the recipients.

The researchers found that the amount of H.I.V. rose slightly after IL-2 treatment, then returned to original levels, apparently because IL-2 stimulates the virus as well as the immune system. Larger trials are under way to determine IL-2's role in H.I.V. therapy, Dr. Fauci said.

In a study involving 11 patients, scientists at Stanford University reported finding that the amount of H.I.V. in the blood of infected people rises sharply after active infection from oral and genital sores caused by herpes simplex virus. The Stanford team, led by Dr. Mark Holodniy, said it was the first direct clinical evidence linking the two viruses.

The amount of H.I.V. was measured before each patient was treated with an anti-herpes drug, acyclovir, and again during and after therapy. The amount of H.I.V. increased about five times during active herpes infections. About 30 to 45 days after acyclovir treatment, the amount of H.I.V. returned to previous levels.

Science Times E-Mail

Science Times has an electronic mail address for comments from readers about published articles and suggested areas of coverage: scitimes@nytimes.com.

L.A. Times; 2-7-95

Whose Life Is It?

Weighing the Ethics of Keeping Unborn Babies Safe From HIV

Story by **PAMELA WARRICK** / TIMES STAFF WRITER ■ Illustration by **JORDIN ISIP** / FOR THE TIMES

If you knew thousands of babies could be saved from the deadly AIDS virus, would you want your government to do everything in its power to save them?

If that meant stigmatizing poor women or incarcerating mothers to force them to take their medicine, would you feel differently?

The questions are no longer hypothetical.

For the first time in the bleak history of the AIDS epidemic, a way has been found to stop the spread of HIV from mother to child. Last November, a team of French and U.S. scientists announced that maternal transmission of the AIDS virus to newborns was cut by 70% when infected women were given the antiviral drug AZT during pregnancy.

But what was offered by AIDS researchers as their grandest achievement yet has produced not elation but cynicism and anxiety—and a growing ethical debate over how to get the lifesaving treatment to those who would benefit the most.

At the center of the debate is whether to legislate health care. Should pregnant women be forced to undergo HIV testing, as has been proposed by Los Angeles County Supervisor Mike Antonovich and elected officials elsewhere in the nation?

Then, if a woman tests positive for HIV and refuses treatment, should she be punished with jail?

Until now, prevailing law and medical ethics have generally allowed competent adults to refuse any medical care for themselves—including AIDS testing and treatment. (In some states, for example, convicted rapists cannot be compelled to take an AIDS test. Yet in other states, tuberculosis patients have been jailed for refusing treatment.)

"Lack of care already causes a lot of bad outcomes in pregnancy and we don't do anything about that," fumes bioethicist Vicki Michel of USC's Pacific Center for Health Policy and Ethics. "We don't say we're going to go to the ends of the Earth to make sure these women get all the care they need.

"But when it's something as socially sensitive as AIDS, we're saying we'll not let one baby go

Cont'd on next page

'This Is Such a Personal Decision . . .'

For Dr. Wilbert "Jordan, this dilemma over mandatory HIV testing has no urgency—nearly all the women he sees already know they are HIV-positive.

"The ethical dilemma at my door step comes in the form of all the infected women who *want* to get pregnant, who *want* to have a baby," says Jordan, a busy infectious disease expert.

While a recent study showed that use of the antiviral drug AZT early in pregnancy may save many babies from AIDS, the medicine apparently does not provide total protection against mother-to-child transmission. And, of course, it has no way of guaranteeing how an infected mother's baby will fare.

"Give me 10 women today who come into my office [at King-Drew Medical Center] and at least half of the women will be wanting to get

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HIV: Whose Life Is It?

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without treatment."

The legal obligations to respect a woman's right to privacy pale in the face of saving the life of her unborn child, say supporters of mandatory testing.

"Women [may] keep their privacy intact, but their children will have the privacy of the grave," says Nat Hentoff, a New York columnist and abortion foe, who supports required testing.

But protecting the rights of pregnant women has been historically volatile. And feminists are enraged over the possibility of HIV-infected women having their rights subjugated in favor of their unborn babies.

"Out front, this all sounds very good for the good of the children, but you have to understand that women are not the little ovens that babies come in. Women are separate individuals with rights and choices," says Ginny Foat, women's advocate and director of Caring for Babies With AIDS in Los Angeles.

"The test is not going to save anybody's life. If you want to stop the spread of AIDS, why not castrate men—remove their penises! It's a better deterrent than mandatory testing," Foat says.

Advocates for the poor worry that mandatory tests also will discriminate against minorities since African Americans and Latinas account for most HIV cases among pregnant women.

For many of them, it is already difficult to get access to basic prenatal care they can afford. Will forcing them to be tested for the AIDS virus change that?

"Don't forget, an HIV test does not occur in a medical vacuum," says Mark Senak of AIDS Project Los Angeles. "It is a test of your insurability, your access to health care, your relationship with your partner, your family, your church. If you are a pregnant woman or a poor woman, the state has no more reason to tell *you* to take that test than to tell anyone else.

"Whatever you think about mandatory HIV testing, we must always return to the reality of life for the HIV-infected mother," he says.

Susanna, who asked that her real name not be used, is an HIV-infected mother, and today she says she feels "lucky."

She found out she was pregnant at a county-funded clinic—at the same time she found out that she was infected with the virus that causes autoimmune deficiency syndrome. "I don't mean I'm happy about this. Nobody'd be happy. But I have a chance to save my baby, I think, since I know he might get AIDS if I don't take the AZT."

Although Susanna has no symptoms of the AIDS virus, she began taking AZT five times a day in her 13th week of pregnancy. The $3,000 or more it will cost to keep her on AZT through her delivery is being paid by a federally funded health program for uninsured women.

"It's my first baby. My only one, I guess. . . . I don't want to take any risks," she says. "So when the clinic said I could get an AIDS test right along with all the other tests you take when you're having a baby, I took it. Why wouldn't I?"

Although some cities—such as Boston—have reported that as many as half of high-risk women decline to be tested for HIV, voluntary testing seems to be holding greater promise in Southern California.

About 70% of all women offered free tests for human immunodeficiency virus at county clinics accept, says John Schunhoff, Los Angeles County AIDS program director. He and other opponents of mandatory testing say that with such positive response to voluntary testing, coerced testing could do more harm than good.

"We don't want to drive women away from health care. We want them to participate in it," Schunhoff says. "If the offer of the test is properly presented, and if we can keep track of the women who test positive and get them referred for treatment, this is a much better solution. I think most women want to know the truth so that they know their options as soon as possible."

About 7,000 HIV-infected women become pregnant each year, according to national health experts. Almost 2,000 of their children are infected before or during birth, or through breast-feeding. Some women choose to terminate their pregnancies or are too sick to carry to term.

Without AZT therapy, the risk of an infant contracting HIV from its mother is between 15% and 40%, according to the Centers for Disease Control and Prevention. The virus seems most likely to be transmitted after about the fourth month of pregnancy.

If HIV testing and treatment were to become mandatory, some opponents wonder how the rigorous treatment could be enforced.

"How could one enforce a daily regimen of five doses of [AZT] during the entire second and third trimesters of pregnancy?" asks ethicist Ronald Bayer, who wrote an editorial for the New England Journal of Medicine on the implications of the AZT research. "Would anything short of incarceration make such treatment possible?"

How AZT works to stop the spread of HIV from mother to child is still a scientific mystery.

Because the recent findings about the drug's success were so stunning, the study—overseen by the National Institutes of Health—was halted prematurely, leaving many questions unanswered.

In the research protocol, AZT was given to the mother between her second and third trimesters and again during labor and delivery. The anti-viral treatment also was given to the infant during the first six weeks after birth.

Further research is needed to determine which one—or combination—of these steps brings the benefit. Some critics believe that the NIH study should have been three separate studies.

But to attempt that now, says pediatric AIDS researcher Dr. William Shearer, "would be a step backward, ethically." Tinkering with a proven regimen for a fatal disease is rarely acceptable ethically, or morally.

The absence of solid data on the long-term effects of AZT on pregnant women without AIDS symptoms and on children who receive AZT in utero has tarnished the otherwise good news about the prenatal use of AZT.

AZT, also known as zidovudineor Retrovir, is an anti-viral agent that has been shown to slow the progression of HIV to AIDS in some adult patients, but it has not prevented that progression or saved the lives of patients who use it.

At 26, Deandra has been living with HIV for five years. She had her first child, who is free of infection, before she knew she was HIV-positive. She took AZT during her second pregnancy and that baby also was born with no signs of the disease.

"If someone was to have told me while I was pregnant that they'd put me in jail if I didn't take my medicines, I'd have said 'Forget this!' and come back when it was time to have the baby," says the Los Angeles woman.

"Don't they understand? Mothers will be mothers. If you want them to do right by their children, maybe all you got to do is ask."

JORDAN: 'Personal Decision'

Continued from B10

pregnant. That makes for some very sharp and poignant ethical issues," Jordan says. "I have a woman right now. She came in with her boyfriend. She is HIV-positive but healthy. I can't play God. She looks good. And with AZT, there is a good chance the baby can be born negative.

"We talk about that and she says to me, 'I want to have this child. [My boyfriend] loves me. The Lord is telling me to have this child.' I say you decide what you want and I'll help you with whatever decision you reach. What else can I say? It's troubling, but this is such a personal decision. . . ."

But Jordan, who heads the city's Black AIDS Consortium Commission, says he is not always so supportive. "It's a different story when a woman comes in with her boyfriend or husband and she's wanting to [bring up the baby] alone.

"These are very desperate women. Many of them have been abandoned by their families. What better way, they think, than to have a baby to love and love you?

"This burning desire to leave a legacy when you are faced with death yourself is not something affecting only African American women. Like many . . . who are trying to leave a mark here before they die, they feel the best thing they can leave is a baby."

—PAMELA WARRICK

HEALTH NEWS

Wash. Post; 2-7-95

Warning Issued On Pacemakers

By Sally Squires
Washington Post Staff Writer

The Food and Drug Administration is warning physicians and patients about potential problems with some heart pacemaker wires made by a Colorado firm and is advising people using the device to have the wires inspected by doctors.

The faulty pacemaker wires, or leads, have been linked to two patient deaths and has caused medical problems in seven others.

The faulty pacemakers are equipped with Accufix atrial "J" wires (models 330-801 and 329-701), according to the FDA. They were implanted in patients in the United States from 1988 to 1994. An estimated 12 percent of the wires may be defective, said Larry Wettlaufer, a spokesman for the manufacturer, Telectronics Pacing Systems of Englewood, Colo. About 40,000 patients have received the pacemakers with these wires, but local doctors said most of them were not from the Washington area.

Last month, the company sent letters to physicians recommending that all their patients who had the pacemaker lead wires undergo fluoroscopy, a type of X-ray that enables doctors to view the beating heart. At the same time, the FDA issued a talk paper advising physicians and patients about the problem. People who are believed to have the faulty lead should receive letters this month from Telectronics. Those notices will warn of the possible problem and urge that patients get in contact with their physicians for follow-up.

Testing will be paid for by Telectronics. Company officials also said that if the wire leads are found to be defective, Telectronics will pick up any cost of replacement not covered by health insurance or Medicare.

FDA officials emphasized, however, that most of the more than 1 million people with pacemakers will be unaffected. "This really affects a small percentage of people, about one of 40 who have pacemakers," said Susan Alpert, director of the agency's division that reviews new medical devices.

The defect does not disable the pacemaker itself, but involves fracture of a wire used for holding another wire that goes into the heart. In some cases, the fractured wire has been able to work through a protective polyurethane coating, enabling the wire to flail around and perforate the heart. This in turn can cause great damage and, in the worst case, death.

"If a fractured wire is detected, doctors can decide to replace it or leave it in place and monitor it on fluoroscope or X-ray," the FDA advised in a statement released last week. "Most fractured wires are not medical emergencies."

Doctors locally said that they are already notifying and testing patients, but did not expect that a great number will be affected. "It is not a commonly used pacemaker in Washington, and it is not a commonly used wire lead," said Allen Solomon, director of the pacemaker service at Georgetown University Hospital.

The decision of whether a lead needs to be replaced varies from patient to patient and depends on age, health status and personal desires.

"It's important to understand that willy-nilly removal of leads is not without risk," said Victor Parsonnet, director of the pacemaker center at Newark Beth Israel Hospital in New Jersey.

Replacement is done under local anesthesia and generally involves an overnight stay in the hospital. "It has to be done by someone experienced and needs to have the backup of a surgical team," he said.

People who are uncertain whether they may have the pacemaker lead wire can pursue two options, FDA officials said. One is to check the card that every pacemaker patient is given when the devices are implanted, which shows which kind of pacemaker they have, Alpert said. "But if they are unsure or concerned," she said, "they ought to call their own doctors to be sure." ■

USA Today; 2-7-95

Hepatitis risk for travelers

By Anita Manning
USA TODAY

A shortage of immune globulin is leaving some international travelers unprotected against hepatitis A.

Immune globulin, also called gamma globulin, is an immune system booster made from human plasma. It's recommended — not required — for U.S. travelers heading anywhere in the world except Japan, Canada, Australia, New Zealand and Western Europe.

Experts say travelers can minimize risk by drinking only bottled or boiled water and making sure all food is well-cooked, especially shellfish.

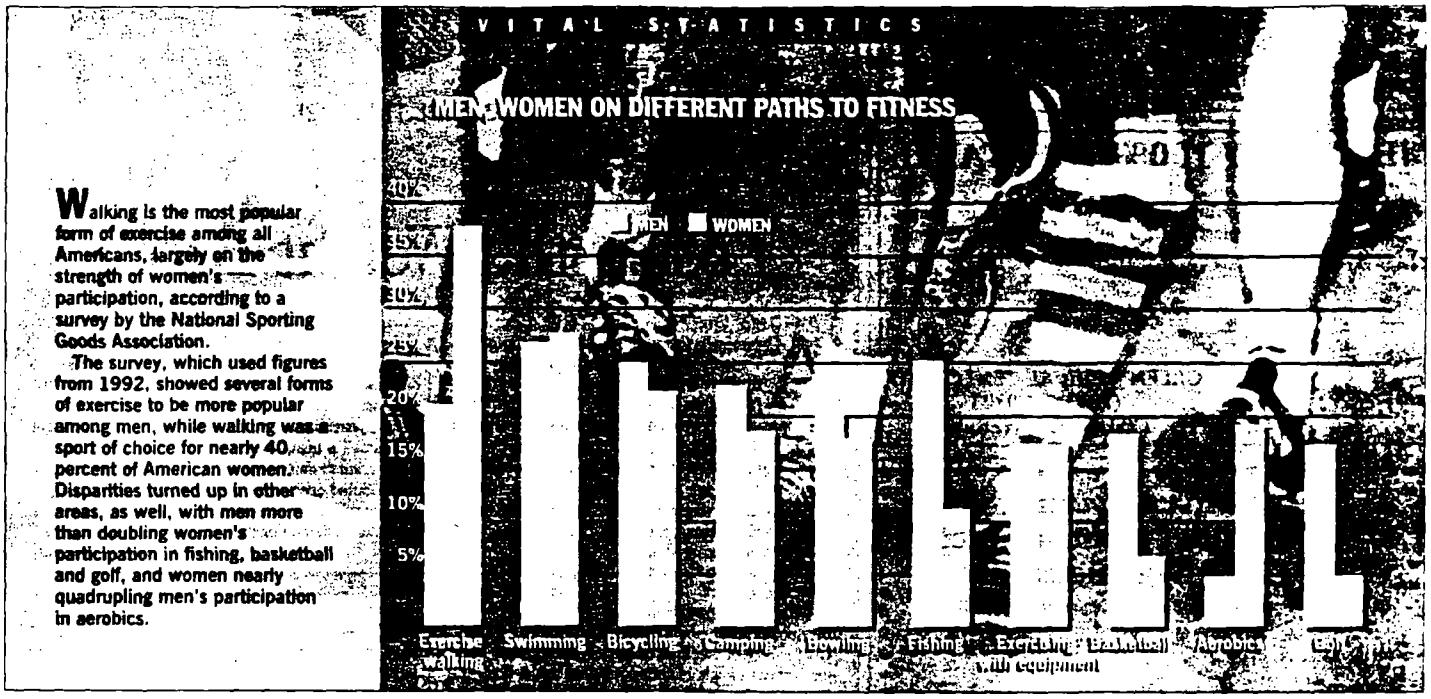
The sole commercial manufacturer, Armour Pharmaceutical, was caught by an "unprecedented demand" for immune globulin by the military for its personnel sent to Haiti and the Middle East last year, says Armour spokeswoman Beth Leahy. That demand, "coupled with the fact that the product is made from a finite resource — plasma," led to a shortage that began last fall and is expected to continue for another "two or three months."

Armour manufactures 1.5 million to 2 million doses per year, Leahy says. It expects to boost production this year by 25%.

Travelers who can't get immune globulin before leaving home may be able to take it on their return. It's effective if given up to two weeks after exposure to hepatitis A, says Rosamond Dewart of the Centers for Disease Control and Prevention.

THE CUTTING-EDGE

Wash. Post; 2-7-95
NEWS AND NOTES



Walking is the most popular form of exercise among all Americans, largely on the strength of women's participation, according to a survey by the National Sporting Goods Association.

The survey, which used figures from 1992, showed several forms of exercise to be more popular among men, while walking was a sport of choice for nearly 40 percent of American women. Disparities turned up in other areas, as well, with men more than doubling women's participation in fishing, basketball and golf, and women nearly quadrupling men's participation in aerobics.

EAR INFECTION SYMPTOMS IN CHILDREN OFTEN HIDDEN

Ear infections are one of the most common childhood illnesses. Yet detecting one from a youngster's symptoms alone can be like reading tea leaves. The problem is that some colds masquerade as ear infections and up to one third of ear infections don't have symptoms.

To help pinpoint symptoms that signal ear infections, Finnish researchers spent two winters studying 302 children, 4 years old and younger, at a day-care center in Turku. During the study, parents filled out a daily chart noting such symptoms as fever, cough, runny nose, earache, irritability, restless sleeping, poor appetite and absence from day care.

Participants were also examined by a pediatrician whenever they experienced a fever or other cold-like symptoms. During that exam, researchers sampled mucus from the nose or throat and tested it for the presence of a variety of viruses. Since many ear infections develop several days after the start of cold symptoms, children were also reexamined within a week to see if they had developed an ear infection.

The study found restless sleeping and fever "of no value in distinguishing" an acute ear infection from a common cold or other upper respiratory infection. Earache was one of the best predictors of an ear infection, the researchers report in the January issue of the Archives of Pediatric & Adolescent Medicine. So were symptoms that lingered for several days.

The findings also underscore a continuing problem: 40 percent of children with ear infections in the study had no apparent earache. For that reason, co-authors Terho Heikkinen and Olli Ruuskanen of the University of Turku recommend that children at high risk may need two visits to the doctor, spaced about five to seven days apart, when they have upper respiratory infections. Factors that place children at high risk, Ruuskanen said, are a history of previous ear infections, attendance at a day-care center and having a family member who smokes cigarettes. Studies have shown that children exposed to passive smoke are at increased risk of upper respiratory and ear infections.

—Sally Squires

ADOPTEES COME TO U.S. WITH MEDICAL PROBLEMS

A study of 129 international adoptees conducted by a team of Boston pediatricians has found widespread developmental and medical problems, some not detected before their arrival in the United States.

The study, published in the January issue of the Archives of Pediatrics and Adolescent Medicine, reported the results of detailed developmental and medical assessments performed six weeks after the children, many of them infants, were adopted by American families. Most were born in Third World countries and all arrived in the United States between 1989 and 1993. International adoptions have become increasingly common in the past decade; more than 10,000 such children are adopted annually by American families.

Only 50 percent of the children, who were examined at the International Adoption Clinic at Boston's New England Medical Center, were developmentally normal. The rest exhibited delays in motor skills, cognitive functioning and language. Twenty children, 16 percent of those surveyed, had problems affecting at least three areas of development, according to the research team led by pediatrician Laurie C. Miller.

Problems among the adoptees, whose median age was 12 months, included hepatitis, malnutrition, intestinal parasites, rickets and previously undiagnosed heart disease. Children in the study were adopted from 22 countries, most commonly Romania, China, Paraguay and South Korea.

In some cases, Miller and her colleagues suggest, the poor showing on developmental tests may reflect a lack of familiarity with testing or the deprived conditions in orphanages where many children lived.

How these and other international adoptees will fare as adults is uncertain, the authors note. "Adoption offers a radical change in environment and provides children with loving parents, adequate diets and an enriched environment," they write, noting that some studies show that delayed development "may be partially or completely reversible by adoption."

That optimistic prognosis may not prove true in cases of severe delays, they add, in part because scientists do not know whether the effects of malnutrition in the first two years of life, a critical period for brain development, is reversible.

—Sandra G. Boodman

STUDY FINDS WAFFLING TOLERABLE IN POLITICIANS

Note to Bill, Newt, Bob, Phil, Dan, Ross: Consistency on the issues may be overrated as a political plus with voters, new research suggests.

Most politicians live in fear of being labeled a "waffler" for shifting positions on political issues. But voters are more likely to vote for candidates they agree with, even if those candidates have changed their minds from past positions, according to a series of psychology studies by researchers at North Dakota State University.

The team based its conclusions on three studies on college students and one on state legislators. The findings appeared this month in the Journal of Personality and Social Psychology.

"We suggest that what voters really want is a politician who shares their opinions," the North Dakota team concluded, noting also that Bill Clinton won the presidency in 1992 despite being called a "pander bear" by Democrat Paul Tsongas and a waffler by George Bush in a speech at a Waffle House restaurant.

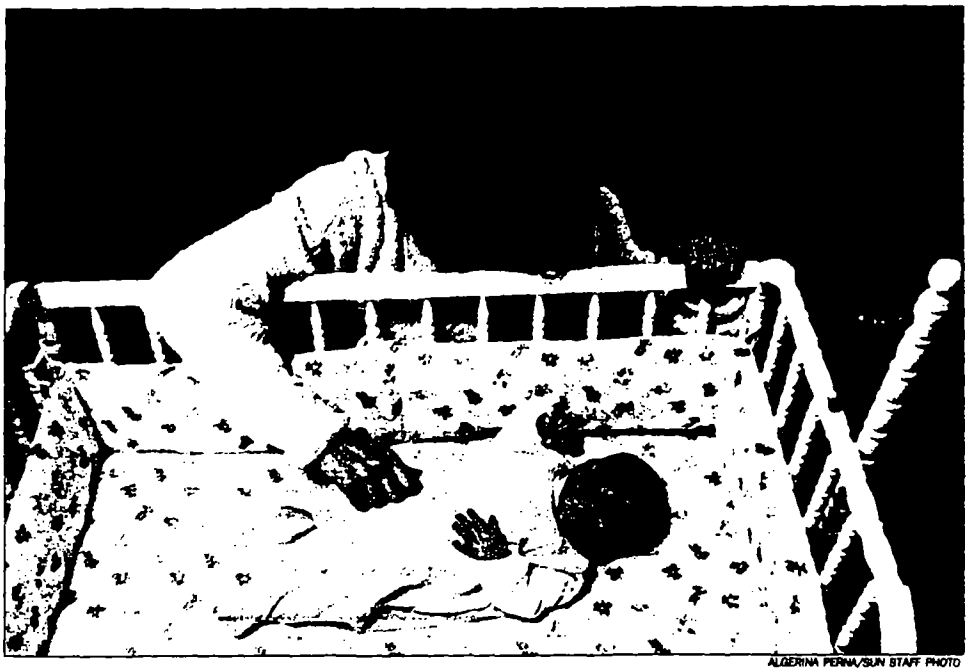
"Our studies . . . simply fail to support the intuitive views of many voters and politicians alike that the average voter values, above all, the politician who 'sticks to his guns.' Instead, the data support Machiavelli's admonition to politicians to adapt their message so it fits the views of the audience," they said. In his classic work, "The Prince," the Renaissance Florentine statesman celebrated political expediency and craftiness.

In one experiment by the North Dakota researchers, 151 college students were given versions of a fictitious scenario about a political candidate who either stayed consistent or changed position on the issue of access to abortion. The students were then asked if they would vote for the candidate. Their answers depended more on whether they agreed with the candidate than on whether the candidate had switched positions.

A second experiment showed that it didn't matter whether the candidate changed positions after having "studied both sides of this issue" or in an effort to become more popular. As in the first experiment, it was the candidate's position, not the means by which it was arrived at, that counted most with potential voters.

In spite of those results, both the college students and state legislators said in surveys that they thought consistency on issues mattered more to the average voter than agreement on issues.

—Don Colburn



ALGERINA PERNA/SUN STAFF PHOTO

Marybeth Morsberger lets 6-week-old daughter Allison sleep on her stomach for only short periods of time.

Balt. Sun; 2-7-95

SLEEPING EASIER

Drop in Md. rate of SIDS credited to putting babies on their backs

By Diana K. Sugg
Sun Staff Writer

2D

Dripping wet, Marybeth Morsberger went right from the shower yesterday morning to her daughter's crib. Six-week-old Allison had been fussy, and since she sleeps better on her stomach, Mrs. Morsberger let her do that.

But not for long.

That's because pediatricians have become more and more adamant in their recommendation that babies be put to sleep on their backs or sides. Two recent studies show a link between deaths from sudden infant death syndrome (SIDS) — the leading cause of death for infants one month to 1 year old — and babies sleeping on their stomachs.

In a study at the University of Maryland Medical Center's SIDS institute, pediatrician Dr. Robert Meny reported that 64 Maryland babies died of SIDS last year, compared with 101 babies in 1993, a 31 percent drop. He attributed the decrease to the nationwide campaign started last June urging parents to put babies to sleep on their backs or sides. (A glance at the raw numbers gives the appearance that the percent decrease is greater, but researchers use the rate of deaths per 1,000 births to calculate the change.)

A second study, released last week, found that unsafe use of bedding — when babies are placed on top of pillows, comforters, sheepskins and other soft products — may contribute to the deaths of as many as 1,800 infants a year. That's about 30 percent of the 6,000 who die of SIDS annually. The U.S. Consumer Product Safety Commission's two-year study found these babies may have suffocated.

In many cases, this is what doctors believe is happening: A baby on its stomach, face-down in soft, fluffy bedding, slowly runs out of oxygen and dies. SIDS is perhaps the most haunting fear of any parent.

"It's always in the back of my mind, especially when she's this little. You just never know," said Mrs. Morsberger, who said she usually puts Allison to sleep on her back. Occasionally, when Allison's cranky, as she was yesterday, Mrs. Morsberger allows her to fall asleep on her stomach. Then her mother checks her every few minutes and, even if that means rushing out of the shower, turns her over once she's sound asleep.

Sha'Ron Rogers had that same fear — of a baby so tiny and vulnerable that it seemed anything could happen — early one morning in 1991, when the Baltimore woman breast-fed her 3-week-old daughter and changed her. This was before the recommendation for babies to sleep on their back or side had been issued, when the practice in the United States for generations had been for babies to sleep on their stomachs.

Ms. Rogers put the baby on her stomach in the bed with her. A few hours later, Ms. Rogers woke up with her 2-year-old son saying, "Mommy, the baby's not crying."

"That's when I turned over, and I looked at her and she was just totally blue," Ms. Rogers said. "My mind just went blank. I just felt like somebody just took my heart out."

Jontae had died of SIDS.

Four months ago, Ms. Rogers, 26, had a boy, Eric, whom she cherishes. But she must fight off the fear that he might die, too. She always puts him to sleep on his back. At all hours of the night, she is awake, leaning over the crib, just looking at him.

"I was a basket case," Ms. Rogers said. A monitor, though, that tracks nine different functions in her son — from his heart rate to his breathing — has given her some peace.

Monitors are one way physicians have tried to help babies such as Eric who experience temporary breathing problems. But researchers are still struggling to determine the exact cause of SIDS. And many physicians have doubted that a baby's sleeping position had anything to do with SIDS.

Dr. Meny was one skeptic. As a physician who specialized in the care of premature babies, he worried that by placing babies on their backs, they might not be able to cough up mucous.

Then 2½ years ago, researchers from England, Sweden and Australia reported a drop in SIDS cases after national campaigns to have urge parents to put babies to sleep on their backs or sides. The campaign in the United States followed.

He began to notice that, even on their backs, babies could clear mucous. And, he said, the new Maryland data is persuasive. "I can't think of any other reason that would cause a drop in SIDS," he said, pointing to the national push to put babies to sleep on their backs or sides.

The $1.3 million campaign by the National Institutes of Health, the American Academy of Pediatrics and two SIDS groups produced videos, mailed brochures and aired public service announcements, said Michaela Richardson, a researcher with the National Institute of Child Health and Human Development, which is part of the NIH.

Dr. Carole Parnes, a Columbia pediatrician, said she was also skeptical about the recommendation on sleep position. But Dr. Parnes said she didn't find any higher incidence of choking, and gradually, she has changed her mind. Now she hands out the NIH brochures, telling parents to make sure their babies sleep on their backs or sides, on firm mattresses, without pillows.

Maryland is the first state to report on SIDS deaths since the campaign was launched and the results are encouraging, said Dr. John Kattwinkel, a pediatrician at the University of Virginia.

Dr. Crossan O'Donovan, a Dundalk pediatrician and president of the Maryland chapter of the American Academy of Pediatrics, welcomed news of the state data, calling it "a spectacular change." He said he will push parents to put babies to sleep on their backs. "I get a lot more questions about when parents should introduce cereal than I do about sleep position, and yet this is clearly, infinitely more important."

But parents can take other steps. Exposing the baby to cigarette smoke can double the baby's risk of dying from SIDS, Dr. Meny said, while breast-feeding can decrease a baby's risk. Still, physicians say women who can't breast-feed shouldn't feel bad, and that there is much more yet to be learned about this syndrome.

"SIDS is a really terrible, terrible thing," said Ms. Rogers. "It makes you feel like you're not in control."

She said she sleeps in the same room with her infant every night. "You just never know."

For more information on SIDS, call (800) 505-CRIB between 8 a.m. and 8 p.m.

The Associated Press contributed to this story.

SIDS PREVENTION

Do

- Place baby on back or side to sleep
- Use firm mattress and bedding materials
- Breast-feed baby, if possible
- Receive good prenatal care

Don't

- Overheat baby with excessive clothing or bedding
- Smoke around the baby
- Place baby on stomach unless family doctor recommends it

SOURCES: Pediatrics, Vol 93, National Sudden Death Syndrome Resource Center

KNIGHT-RIDDER TRIBUNE/SUN STAFF GRAPHIC

Editorials & Op-Ed

Wash. Post; 2-7-95

Holiday From the Deficit . . .

PRESIDENT CLINTON had excellent reasons to attack the budget deficit in the first two years of his term, and those reasons are still compelling. It's troubling that he has now decided to take a holiday from the hard and painful responsibility to keep working the deficit downward. The issue is this country's future standard of living.

Instead of trying to explain to Americans why it's important to keep moving toward balance, Mr. Clinton seems to have abandoned the subject. He is reportedly aggrieved that the country did not give him adequate credit for the progress he's made since 1993, and he is going to turn his efforts to more congenial pursuits—like a tax cut. You can already hear the siren song from the White House: The deficit is (narrowly) below $200 billion a year, so why worry? Why stir up the voters and bruise the Democratic Party simply to placate the green-eyeshade crowd? Why not play it coy and see if we can't either trap or trump the Republicans . . . or something?

But it's not merely a matter of pleasing the bankers and the fiscal fundamentalists or winning some kind of imagined tactical victory over the GOP. The deficit preempts investment capital that would otherwise go into expanding the economy. That's one major reason for the stagnation of wages and incomes for most American working people since the mid-1970s, when the deficits began to soar.

Investment capital can come only from savings, and Americans don't save much. Most of their savings go to replace worn-out equipment. In the year ending last September, American net savings—savings over replacement costs—were just under $400 billion. Of that amount $174 billion, or close to half, went to finance the federal deficit. The remainder wasn't enough to support the growth of the economy. The resulting competition for funds pushed up interest rates high enough to attract money from abroad, bringing in about $130 billion. Since an inflow of capital produces a trade deficit of the same size, dollar for dollar, no one ought to be surprised that the American trade deficit was large last year—and, incidentally, will be still larger this year. That opens the United States to another kind of danger.

After the Mexican peso collapsed in December, retrospective wisdom pointed out that the Mexicans had made a grave error. They had allowed a huge trade deficit to appear and were counting on foreign capital to finance it. But the United States has been doing the same thing, on a much grander scale for a much longer time. The United States has a far stronger economy, and sturdier credit, than Mexico. The dollar is not going to collapse. But steady erosion of its value and of its international reliability is possible and in fact is already visible.

The White House doesn't care to discuss this awkward subject for the next couple of years. That may be clever as short-term tactics, but it's not leadership—and it's not presidential.

. . . And From Programmatic Sense

EVEN THE rhetoric accompanying the budget that President Clinton sent to Congress yesterday was subdued. There was little to announce. The most important proposal is the "middle-class tax cut" the president advocates. It's actually three cuts—a children's tax credit, a college or other post-secondary tuition deduction and, in the name of increased savings, a liberalization of the rules with regard to individual retirement accounts, or IRA's. The rationale the president gave is that the economy has expanded but not everyone has "shared in the fruits." This would give them a slice of the apple, or at any rate the peel.

It's a bad idea. The president, in trying to compete with the Republicans in cutting taxes, has entered a bidding war that he can't win and that a government running a deficit of a fifth of a trillion dollars a year can't afford. But measured in terms of the size of the economy or even the budget as a whole, the effect will be marginal. By the year 2000, when all three tax cuts would be mostly though even then still not fully in effect, the estimated annual revenue loss would be $19.6 billion—about 1.1 percent of projected federal revenues.

All kinds of other factors that will come to bear on the budget will have far larger effects than that. Some are even spelled out in the documents that went to Congress. The administration a year ago was projecting that interest rates on 10-year Treasury notes would be 5.8 percent by the turn of the century. Now it has raised the projection to 7 percent. Just that is enough to lift interest costs some $40 billion by the year 2000. On the other hand, the rate of rise in health care costs seems to have moderated in the last year and the administration now thinks that Medicaid in the year 2000 will cost it $25 billion less than it believed a year ago.

A budget can only have a real effect on future federal finance if it makes a determined effort across the board. It may not be that all the arrows need to be pointing in the same direction, but a lot of them do, on the tax and spending sides of the plan alike. The president produced such a budget in 1993. It made a genuine difference. The deficit today is appreciably lower though still not low enough because of it. This year the president has made a different political decision. If a genuine difference is going to be made, it's Congress that will have to make it.

E. J. Dionne Jr.
Wash. Post; 2-7-95

The Timidity Budget

President Clinton's budget had one message written all over it. It was a message to Republicans and it read: "Okay, guys, now it's your turn."

House Budget Chairman John Kasich, an Ohio Republican, said the Clinton budget "lacks courage" because it provides for no further deficit reduction. Kasich, a pretty serious fellow about deficits, may have earned the right to say that. But being accused of a lack of courage on budget issues by most other House Republicans is akin to being told by a 350-pound couch potato that you're out of shape. For 15 years, most House Republicans have taken a walk on the deficit. This time, Clinton is happy to leave the heavy lifting to them.

It's entirely true that Clinton's budget is cautious, even timid. It's a political budget, whatever White House spokespeople may say to the contrary. Budget Director Alice Rivlin, as serious a deficit hawk as can be found, wanted Clinton to take another big whack at the deficit. She lost because Clinton decided that laying out a bunch of painful budget cuts was a counterproductive enterprise.

First, Clinton did not want to identify spending cuts the Republicans could simply package up to pay for their vastly oversized tax cut plan—projected to cost $200 billion in the first five years, $500 billion in the next five. Even if Clinton had said his reductions were designed to cut the deficit, there was no guarantee the Republicans would use them that way. Clinton figured he'd hold the deficit steady, pay for his own smaller tax cut and let the Republicans pay for theirs.

Second, any serious effort to cut the deficit will inevitably have to deal with health costs—Medicare and Medicaid. But Clinton already had a go at the health issue and we know how that turned out. Here again, he figured it was time for the Republicans to try their hand and have to answer all those questions that anyone serious about cutting health expenditures will have to confront. Clinton won't mind hearing Republicans accused of using "the heavy hand of Washington" to restrict the health choices of elderly people.

Third, the 1994 elections proved, yet again, that the electorate offers little thanks to those who make a serious run at deficit reduction. The Republicans ran on a pretend program—more tax cuts, a rollback of some of the painful parts of the Clinton budget, and, oh yes, a balanced budget amendment. About the only cuts they proposed were in welfare programs.

As Republican pollster Frank Luntz reported in a memo, "the public does not want to pay higher taxes or see their services cut" and "believes overwhelmingly that the budget can be balanced just by cutting out the waste, fraud and abuse." Many Democratic members of Congress who had the guts to say no, things aren't that easy—and who voted for a hard budget—were beaten by Republicans shouting slogans about easy tax cuts and "big government."

For deficit hawks, there is an up side to the Clinton budget. The biggest barrier to deficit reduction is not substantive; it's political. Anyone who tries to grapple with this tar baby suffers—as both George Bush and Bill Clinton have learned. With a few honorable exceptions—New York Rep. Gerry Solomon, for example—the conservative wing of the Republican Party has never made a serious effort to balance the books. The Republican right made Bush's life miserable after he tried doing so in 1990.

By ducking the deficit, anti-tax conservatives held out hope to voters that there was an easy way out of this mess. It's hardly surprising that voters will pick the less onerous solution whenever that option is available. If a bunch of politicians is out there telling them that they don't have to make hard choices, they'll respond exactly as Frank Luntz's polls show they do. That means that a precondition for further deficit reduction is for those conservatives who have never cast difficult budget votes in their lives to start casting them. In the coming months, Kasich and his colleagues will thereby prove one of two things: either that reducing the deficit is not easy—which will make it difficult for anyone to demagogue this issue in the future—or that Republicans don't take deficit reduction seriously.

True, there are costs for Clinton in this budget. There were some reductions he could have made to cut the deficit—in subsidy programs and in various tax preferences—that might have called the Republicans' bluff even more forcefully. Had he sent the deficit downward some more, he would have been on even stronger ground when the time came to veto the Republicans' tax cut extravaganza. This budget risks squandering what little credit Clinton did get for the difficult choices he made in his first year. And the fact that so much political calculation lurks behind it only reinforces an image of Clinton as, well, a political calculator.

But it is, finally, the politics of the deficit that need to change, so a lot will depend on whether Clinton's political calculation proves sound. Herbert Stein, my favorite Republican economist, argues in his new book, "On the Other Hand," that the basic requirement for a more rational budget policy is "to raise the level of public discussion." For Stein, that means that "proponents of specific policies must be explicit about the choices they are urging on us, not promising us more of everything but more of something at the expense of less of something." Playing the timidity card—i.e., tossing responsibility for further deficit reduction to Congress—may be the one way to force the Republicans to be explicit about what choices they really have in mind.

N.Y. Times; 2-7-95

The President's Sensible Budget

The budget President Clinton released yesterday might seem tame by comparison with the government-gutting promises of Republicans. The President would wipe out no department or major program. He would not balance the budget, but instead projects $200 billion deficits as far as his budget officials can see. He barely nicks entitlement programs and achieves savings through hundreds of reasonable, though unexciting, spending reductions.

But the Administration's plan exudes common sense. The deficit would fall as a percentage of economic activity — the best gauge of the Government's tug on private capital. By avoiding a mindless rush to balance, the President preserves valuable investments in education, training and research. His budget provides a worthy alternative to an expected Republican onslaught on government.

Goaded by the G.O.P., the President made his task harder by proposing tax credits, as previously announced, of up to $500 per child and up to $10,000 per family for education and job training. He exempted Social Security, Medicare, Medicaid and defense — more than half the budget — from sizable cuts, forcing bigger cuts on everything else. The budget plan calls for spending over the next five years about $130 billion less than what it would cost to continue this year's Federal programs. Most of the service cuts would come out of housing, transportation, energy and other discretionary programs. Mr. Clinton would eliminate 131 mostly small programs, consolidate 271 others and cut the Federal payroll to the lowest level in 30 years.

The G.O.P. is likely to embrace nearly every one of Mr. Clinton's cuts and impose even more. The Administration will fight to preserve its national service, training and education initiatives. The President proposes "skill grants" for unemployed and low-paid workers to buy vocational training. He would spend more on early childhood education and nutrition, tuition grants for low-income families and a variety of programs to stimulate commercial technology. Investment in civilian infrastructure, research, education and training would rise from $136.6 billion this year to $137.8 billion next — an increase that does not make up for inflation and that pales next to Mr. Clinton's election-year promise to boost investment by $50 billion a year. Yet he will be lucky to push even measly increases past Congress.

The President backed off from cutting Medicare and Medicaid, even though the two programs are projected to rise over 9 percent a year and account for about 40 percent of the increase in Federal spending over the next several years. Burned by last year's debacle over reform of private health insurance, he seems content to let the G.O.P. take on popular entitlements.

Some critics ridicule the Administration for a weak-kneed attack on the deficit. But lowering the deficit to 2 percent of domestic output, half its recent level, while preserving a modicum of public investment is a responsible turnabout.

USA Today; 2-7-95

Surrendering on debt

What's the sound of surrender?

How about "thud"?

That's the noise President Clinton's $1.6 trillion proposed 1996 federal budget makes when it hits the floor.

The nearly 2,000 pages of budget documents unveiled Monday constitute an abandonment of candidate Clinton's promise to cut the budget deficit in half.

This may make political sense for the president; Republicans will be stuck with delivering the bad news that comes from budget slashing, while Clinton won't have to fight a middle-class tax cut.

But it is not good news for a country badly in need of fiscal responsibility.

Clinton would leave the budget deficit roughly where it is now for another five years, adding $1.6 trillion to the national debt, $6,400 for every American.

And that's if you believe the Clinton administration's numbers. Sadly, there's good reason not to.

Both the Reagan and Bush administrations used rosy economic forecasts to sell their budget plans. The result: trillions of dollars of debt.

So, shortly after taking office, Clinton told Congress he'd use Congressional Budget Office figures for his forecasts. "Let's at least use the same set of numbers so the American people will think we're shooting straight with them," Clinton said.

Now the administration prefers its own set of numbers.

And guess what? Its economic forecasts are rosier. Health-care costs, it says, will grow a percentage point less each year than the CBO predicts. The economy, it says, will grow by about two-tenths of a percent more each year.

That's no big deal for a year or two. But over the next eight it adds up — to $100 billion more each year in new debt.

And if there's a recession? The administration hasn't figured that into its budget calculations at all.

The administration has proposed some worthwhile cuts — $144 billion over five years. But after paying $63 billion for middle-class tax cuts, that amounts to a paltry 5% slice of the deficits that are left.

It leaves the country depending almost solely upon the Federal Reserve to manipulate interest rates to prevent both a resurgence of inflation and a fall into recession.

That's no way to lead. It is a sign of surrender. But the question now is whether Republicans in Congress have a real alternative that's any better.

▶ Federal budget, 1A

Balt. Sun; 2-7-95

The Third Clinton Budget

As a political document, President Clinton's $1.6 trillion budget for fiscal 1996 is a blatant attempt at putting the monkey of real deficit reduction on the backs of Republicans. As an economic document it is a disgrace, the worst blueprint for the management of government finances since Ronald Reagan left office. It commits the nation to $200 million increases in the national debt each year for as far as the eye can see.

Mr. Clinton's willingness to leave the initiative to the GOP-controlled Congress so he can counterattack for political gain is evident throughout. Most glaring is his unwillingness to take responsibility for cracking down on middle-class entitlements, those spending programs on automatic pilot that are climbing so fast they are bankrupting the country and threatening national security.

Social Security, Medicare and farm subsidies lead the list. If properly means-tested and controlled, they would yield savings that actually could put the government on a prudent course toward balancing the budget in an average-year context. But legislators in both parties have blanched repeatedly at the thought of enraging powerful interest groups, particularly the affluent elderly.

What is needed, desperately, is courage rather than maneuver. Since this is not to be in the third Clinton budget, the burden does indeed fall to an extraordinary degree on the Republican Congress.

Speaker Newt Gingrich and his lieutenants in economic policy have vowed to rein-in entitlement programs as the essential step in getting to a balanced budget. But there is reason to question whether their targets are middle-class programs rather than entitlements for the poor and disadvantaged. There is even more question whether they can keep the GOP rank-and-file in line as lawmakers are asked to vote on issues that could be poison in the 1996 elections.

Just after Mr. Clinton took office two years ago, as he presented a gutsy first budget that led to $500 billion worth of reductions in projected deficit costs, he said nations, like individuals, have to decide how to conduct themselves — how they wish to be judged by contemporaries and posterity.

History is not likely to judge kindly this latest chapter in his presidency. He has made himself hostage to his political foes — a hostage to those he has challenged to do what he has dodged.

If the Republicans succeed in slashing middle-class entitlements — a long-shot prospect at best — they will get history's accolades, and deservedly so. Many of the GOP freshmen come from rural districts that treasure farm subsidies. Others represent merchants with a liking for the Small Business Administration. Every one has elderly constituents drawing Medicare and Social Security benefits without reference to their private means.

To change this culture — to curtail federal benefits to the middle class — will require virtues seldom seen in Washington and wholly absent from the third Clinton budget.



By Paul T. White USA TODAY

USA Today; 2-7-95

'I'm the first chairman of the Ways and Means Committee who does his own income tax, and it is almost to the point where I can't do it.'

— Rep. William Archer

'We're not going to raise any taxes'

Rep. William Archer, R-Texas, is the new chairman of the House Ways and Means Committee, which is where all tax legislation begins. In an interview with USA TODAY's editorial board Monday, Archer discussed his views on taxes, including cuts listed in the Republicans' Contract with America. His comments were edited from that interview.

Q: Do you rule out any tax increase whatsoever?

A: Yes. That's what we're committed to. As long as we stay in control, we're not going to raise any taxes.

Q: What about tax cuts? What tops your list?

A: Economists say the single biggest thing we can do to create economic growth and better jobs is to pass a capital gains reduction. From a standpoint of economic incentive and strengthening families, the child credit (a $500-per-child tax credit for families earning less than $200,000) becomes very important. I'm not willing to choose between the two because we're going to do both.

Q: The Contract with America calls for halving the capital gains tax, now 28%. How long should someone have to hold an investment before getting that break?

A: Once you get beyond a one-year holding period, then you get into all kinds of potential negatives. Maybe two years will be all right. The problem with the capital gains tax is in order to have jobs — and better jobs — you've got to have capital investment. There are only three places for that to come.

Q: What are those?

A: The government can tax earnings and build factories and provide jobs. Americans don't want that. Foreigners can take their savings and invest and build the factories. And, yes, Americans who get those jobs have better jobs. But the problem is they've got a mortgage on our productivity, and they get dividends and interest that are going to have to be paid back.

Q: And the third choice is to give Americans added incentive to invest by cutting capital gains?

A: You can't do that if the government, with a giant vacuum cleaner, is sucking out capital. The Democrats want to make this a rich-against-the-poor thing. But you can tax all the capital away from the rich, and the poor wouldn't have jobs.

Q: If you pass these tax cuts, will it preclude you from doing a more thorough reform of the tax system?

A: The day after the election, I announced that my goal before I leave the Congress is to tear the income tax out by its roots and throw it on the side of the road. To replace it, I thought originally a flat tax would be the best thing to do. But now I believe there's an even better thing to do, and that's to go to a broad-based consumption tax.

Q: Like a sales tax. There are other consumption taxes, but just to get a sense of the scale, how big a sales tax would be required to replace the income tax?

A: It's 15% to 20%.

Q: What would we gain by switching?

A: I'm the first chairman of the Ways and Means Committee who does his own income tax, and it is almost to the point where I can't do it. It takes me probably two days. Fifty IRS agents live in Exxon's headquarters in Houston year-round. There's something wrong with a tax system based on that. The cost of enforcement and of litigation, which each of us pays for, is enormous.

Q: Any other gains?

A: A consumption tax gets at the underground economy. If we could get at that $100 billion to $200 billion, that's half of our deficit. The tax should also be lifted at the borders to give an advantage to our exports. If we can remove 15% to 20% from the price of our products, we get a tremendous edge on foreign competition. And it should be charged on foreign products. That could be up to $300 billion a year.

Q: You want to balance the budget. But the way the budget works now, the Social Security trust fund masks the size of the deficit. Shouldn't it be excluded?

A: That would be the more honest way to do it.

Q: Without doing that, is a balanced budget real?

A: You can debate this with people who take both sides. But Social Security should be used for the purpose for which it was designed, and it shouldn't get mixed into all the rest of this. It would be exciting if we could remove it from the budgetary formulation because if we had been able to do that five years ago and been able to get the true operating deficit in balance, the Social Security trust fund would have held all the national debt. We would not have had to go into the market and borrow money, driving up interest rates and everything else.

▶ Federal budget, 1A

Wall St. Jrnl.; 2-7-95

Re-Moralizing America

BEYOND SOCIAL POLICY

By GERTRUDE HIMMELFARB

The battle cry of the newly invigorated conservatives is "devolution." The enemy is big government—centralized, bureaucratic, unresponsive, exacerbating the problems it professes to alleviate. The solution is devolution, the return of power to the states and local governments.

It is a commendable goal, and sufficient for the moment—certainly sufficient for the first 100 days, and perhaps for several hundred more after that. But it is only a partial solution to the problems that beset us.

Take welfare, for example, where devolution seems to be emerging as the preferred, even bipartisan policy. As a matter of pragmatic politics, the return of welfare to the states may well be the only feasible path to reform; the issue is too divisive to allow for any uniform, national policy. But ultimately the states must face, explicitly and boldly, the difficult question that the national government has evaded all these years: how to undo the culture of dependency, with all the other evils that are part of that culture, in an effective and, at the same time, humane fashion.

And then there are other issues that are of such pressing concern: the breakdown of the family, the enormous rise of illegitimacy, the increase of brutal, irrational forms of crime, the prevalence of an inner-city culture that is no longer a "culture of poverty" but a "culture of social pathology."

To the extent to which the national government has contributed to some of these problems by unwise social policies, the shift to state and local governments will undoubtedly be beneficial. But government is only partially the culprit, and governmental reforms only partially the solution.

Civil Society

It is in response to these problems that another form of devolution is now being recommended: the devolution of authority from the State, and the states, to "civil society," to charities, nonprofit organizations and voluntary groups. This idea has the great merit of addressing directly some of our more urgent social problems. But again, the solution may be inadequate to the problems.

The fact is that Americans have always had, even in the worst of times, a strong civil society—not always a good society, but a strong one. In the past three decades, while we have been bedeviled by all the problems encapsulated in the term "social pathology," we have witnessed an expansion and proliferation of the institutions of civil society: philanthropies and foundations of every description (and some of unprecedented wealth), private colleges and schools, local newspapers, television cable stations, radio talk shows, research institutes, think tanks, cultural and public-service organizations, communal groups, and religious institutions (new-age and old).

If this thriving civil society has been no protection against the social problems of our time, it is perhaps because the civil society itself has been infected by some of the same viruses that produced these problems. Thus the educational experiments and theories that are causing so much anguish were initiated and are still being promoted by some of the most influential institutions of our civil society—universities, philanthropies, foundations, learned societies. The most controversial projects funded by the National Endowment for the Arts have been proudly exhibited in local museums and staunchly supported by the cultural elites of those communities. Local cable channels bring hard-core porn into the living room, while the network channels have to be content with soft porn.

It is not enough, then, to revitalize civil society. The more urgent, and difficult, task is to remoralize civil society.

The first step in such a moral reformation is the redefinition of the problem. "Social pathology" is the language of sociology and psychology. "Moral pathology"—the language of theology—more accurately describes the complex of phenomena suggested by that term: welfare dependency, illegitimacy, crime and the like.

Most of us have by now advanced beyond the old argument that these are purely economic and social problems, the products of poverty, unemployment, racism, discrimination, deprivation. We are beginning to recognize that there is a large moral dimension in them. Yet we are loath to address them as moral problems or to use the language of morality in speaking about them. Indeed, most of us are embarrassed even by the idea of passing moral judgments in private affairs, let alone by the "intrusion," as we say, of such judgments in public affairs.

Yet there was a time, and in the not so distant past, when moral concerns did run through public policy and private judgments. In 19th-century Britain, Victorians spoke the language of morality because they believed in the reality of virtues—virtues as the guiding principles of public as well as private affairs. In this sense there was a basic consensus on social affairs. Liberals and conservatives, radicals and socialists, disagreed about specific policies, but they were agreed on the principle that any measure of relief, for example (or charity, for that matter), had to justify itself by showing that it would promote the moral as well as the material well-being of the recipients—their "character," as the Victorians said. And the character not only of those receiving relief but also of those not receiving relief, the independent laboring poor, as well.

This was the rationale behind the principle of "less-eligibility," which was the basis of the Poor Law reform of 1834. This principle stipulated that the condition of the "able-bodied pauper" (it did not apply to the sick, aged or children) be less "eligible"—that is, less desirable, less favorable—than the condition of the independent laborer. And "less-eligibility" meant not only that the pauper receive less by way of relief than the laborer did from his wages, but also that he receive it in such a way as to make pauperism less respectable than work—to "stigmatize" it, as we now say disapprovingly.

The avowed purpose of the new Poor Law was to encourage the able-bodied pauper to become independent, to discourage the independent laborer from lapsing into a state of dependency, while at the same time providing at least minimal sustenance for the indigent—abled and non-abled alike.



In 19th-century Britain, Victorians spoke the language of morality because they believed in the reality of virtues—virtues as the guiding principles of public as well as private affairs.

That is still our purpose today. We are constantly bemoaning the fact that recipients of relief ("welfare," as we now say) are often in a "more eligible" condition than workers earning a minimum or modest wage, and thus have no incentive to try to get a job. But we seem incapable of coping with this problem, partly because we have lost the moral principles, to say nothing of the moral vocabulary, that would permit us to do so.

In the past few decades we have deliberately divorced poor relief from moral principles, sanctions or incentives. This reflects in part the theory that society is responsible for all social problems and should therefore assume the task of solving them. If the recipient of welfare is not responsible for his situation, why should he be put in a condition of less-eligibility?

The divorce of social policy from moral principles—the de-moralization of social policy—also reflects the spirit of relativism that is so pervasive in our time. It is this that makes it difficult to pass any moral judgments or impose any moral conditions upon the recipients of relief.

The Victorians could not have developed the social policies they did if they had not thought about them as they did and if they did not have the vocabulary to express those thoughts. Social policy was, to a considerable extent, a matter not only of morality but also of rhetoric.

This is the lesson of the Victorians. We have tried "value-free" social policies and they do not work. Having made the most valiant attempt to "objectify" the problem of poverty, to see it as the product of impersonal economic forces, we are discovering that the economic aspects of that problem are inseparable from the moral and personal ones. And having made the most determined effort to devise social policies that are "value-free," that do not stigmatize relief-recipients or oblige them to behave morally ("responsibly," as we prefer to say), we find that these policies demoralize and pauperize (another Victorian word) their intended beneficiaries.

In 1982, for example, Congress passed SSI (Supplemental Security Income) to provide a minimum income for the blind, the elderly and the disabled poor. Because of an earlier ruling defining "substance abusers" as "disabled," and

Wash. Times; 2-7-95

Dr. Foster and the art of the statement

On Friday, Dr. Henry Foster, President Clinton's nominee for surgeon general, released a statement evidently intended to put to rest a brewing controversy about abortions he has performed. Originally, Senate Republicans were told Dr. Foster had done only one abortion. But on Friday, Dr. Foster owned up to having performed more. The statement said, in pertinent part: "I have personally delivered more than 10,000 babies in nearly 30 years of practice including my service in the military.

"In that period of almost three decades as a private practicing physician, I believed [sic] that I performed fewer than a dozen pregnancy terminations. None were in out-patient settings; all were in hospitals and were primarily to save the lives of the women or because the women had been victims of rape or incest.

"I was also Chief of Service at two major teaching institutions where many physicians had hospital privileges. A wide variety of medical procedures and research was performed at both. To my knowledge, all were in accordance with the law and educational requirements."

Yesterday, Clinton spokesman Mike McCurry tried to bolster Dr. Foster by apologizing for the initial one-abortion claim, saying it was an honest mistake.

Well, maybe. But the Clintons and their team do have a lengthy record of carefully crafting statements so as to hide, obfuscate and mislead. And facts unearthed since Friday suggest that Dr. Foster's statement bears close reading.

At a 1978 meeting of the Health, Education and Welfare Department's Ethics Advisory Board, of which he was a member, Dr. Foster offered an interesting aside. In attempting to establish his professional bona fides regarding fetal procedures, Dr. Foster said: "I have done a lot of amniocentesis and therapeutic abortions, probably near 700." Never mind that Dr. Foster's 1978 definition of a "therapeutic" abortion is far broader than the definition he gave in his statement Friday: The "therapeutic abortions" Dr. Foster was talking about in 1978 were not just those to protect the life of the mother, but rather, included removing fetuses that showed developmental abnormalities. We are still left with nearly 700 therapeutic abortions. How can this possibly square with Dr. Foster's statement from last Friday? Easily, it turns out.

In relation to the "fewer than a dozen" claim, Dr. Foster's statement refers to his status "as a private practicing physician." But the next paragraph points out that Dr. Foster was Chief of Service at two teaching hospitals, and "A wide variety of medical procedures and research was performed at both. To my knowledge, all were in accordance with the law and educational requirements." Abortion, of course, has been legal for many years, and thus had Dr. Foster performed hundreds of abortions as chief of service — as opposed to acting in his capacity as a private physician — that fact would not have been actually lied about, given the statement's careful wording.

Notice, as well, that the language about "educational requirements" suggests that the doctor may have performed abortions in the course of teaching the procedure to students. If this is the case, strictly speaking, Dr. Foster's statement Friday that he had performed less than a dozen abortions would not be a lie. But that is only strictly speaking, of course.

The administration was saying late yesterday that Dr. Foster claimed he was misquoted in the 1978 transcript. Maybe he was. But another interesting fact about Dr. Foster's work in the realm of pregnancy termination has also come to light. In the early 1980s, Dr. Foster was head of a research team in Nashville for the Upjohn Pharmaceutical Company that conducted experiments administering an abortion pill. Once again, this was not activity undertaken as a "private practicing physician" and so — strictly speaking — it doesn't count against his dozen-abortion limit. But in reality, a large number of abortions seems to have been involved.

The abortion pill research being conducted by Dr. Foster's team appears to have been what is known as "second phase" research. That is, it was not laboratory development of the pill itself. Instead, it consisted of giving the drug to pregnant women to induce abortion. If the drug failed, it seems likely that the protocol would have called for surgical abortions. (Upjohn didn't return calls yesterday.)

If Mr. Clinton thought Dr. Foster's qualifications were so overwhelming that he could overlook the fact that the doctor had performed a large number of abortions, fair enough. But he and the doctor should be willing to make that case forthrightly. Legalese in the service of creating a false impression just won't cut it. This nomination shouldn't go forward.

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therefore eligible for public assistance, the program has been extended to drug addicts and alcoholics. Apart from encouraging these "disabilities" ("vices," the Victorians would have called them), the program has the effect of rewarding those who remain addicts or alcoholics while penalizing (by cutting off their funds) those who try to overcome their addiction. This is the reverse of the principle of "less-eligibility"; indeed it suggests a principle of "more eligibility," the chronic addict being in a more favorable position than the reformed one.

If we seriously want to discourage dependency, criminality, illegitimacy, drug addiction and the like, we have to do more than create a more rational system of economic and legal incentives and disincentives; we have to build into that system the moral, social and, if possible, religious sanctions that are the most compelling part of any utilitarian calculus. We have, in short, to relegitimize morality as the basis of social policy and restore the language of virtue and vice.

A Counter Counter-Culture

This sounds like a formidable undertaking—a revolution on the order of the counter-culture that brought us to our present state. But it is already under way, in America at least. It was reflected in the recent elections when a new species of Republicans swept into power intent upon a drastic relimiting of government; in the near universal demands for a radical reform of the welfare and criminal justice systems; in the recent comment by one prominent journalist (Charles Krauthammer) that Americans still think in terms of the "deserving" and "undeserving" poor, and suspect, with good reason, that there are far more of the latter than of the former; in the new-found respect for "family values" among liberals who were once contemptuous of so retrograde a notion.

One can also see evidence of such a counter-revolution in William Bennett's anthology of morality tales, "The Book of Virtues," which has been on the best-seller list for more than a year with almost two million copies in print. A recent article in Newsweek on teenage pregnancy also suggests that we may be witnessing the beginning of such a moral revolution. Titled "The Name of the Game Is Shame," it announces that the "old moral relativism" is over, that "the line between right and wrong" must be drawn sharply, and that teenage illegitimacy must be seen as shameful. The article boldly concludes: "Risk ridicule. Think anew."

In fact, we do not have to think anew. We need only return to old ways of thinking. It was the Greeks who made shame a prominent part of their ethos, the Christians who introduced the idea of guilt, and the Victorians who combined the two in their conception of virtue.

I don't want to sound too optimistic. Counter-revolutions are much harder to start and sustain than revolutions. Virtues are more difficult and demanding than "values." I'm not even sure that a moral reformation is possible without the inspiration of a religious reformation. And while there is a small religious revival going on in America, I'm not at all confident that it will assume the proportions of the Wesleyan revival, which initiated the great moral reformation that culminated in Victorian England.

In drawing lessons from the Victorians, I am not unaware or uncritical of the social and sexual discriminations in Victorian England, the class rigidities and political inequalities, the constraints and inhibitions of all kinds. No one, not even the most ardent Victoriaphile, would want to revive these. But some of the Victorian virtues, which have been derided and denigrated as "bourgeois values"—work, responsibility, independence, self-discipline, charity—are surely worthy of being revived.

If we can relearn the language of virtue, and apply that language to social policy, we have a fighting chance to remoralize our own society.

Ms. Himmelfarb is professor emeritus of history at the Graduate School of the City University of New York and author of "The De-Moralization of Society: From Victorian Virtues to Modern Values," recently published by Knopf.

Pruden on Politics

By Wesley Pruden



Wash. Times; 2-7-95

Gilbert and Sullivan take it on the road

Bill Clinton may only be trying to have a little fun with the Republican Congress.

Maybe he's entitled.

He hasn't been having any lately anywhere else. His nomination of Dr. Henry Foster Jr. to be the very model of a modern major surgeon general looks suspiciously like the first act of a Gilbert and Sullivan opera.

Dr. Foster himself is by all accounts a serious man, but even a serious man is hard to take seriously when cast as a pawn in the Washington power game. The Republicans in the Senate can outvote the president, but maybe the president wants to needle them first.

The president's critics describe Dr. Foster as "Elders Lite," a man only slightly less outrageous than Joycelyn Elders, now back in Little Rock struggling to rebuild her condom route. This slights Dr. Foster, who is not "Elders Lite" but Elders with a little class.

But there are similarities, which the president no doubt relishes. Like Dr. Elders, Dr. Foster's an Arkansan (from Pine Bluff), and given the fail rate of the Arkansans that Bill Clinton brought up from Little Rock, any nominee with the remotest Arkansas connection is bound to be greeted with a measure of reserve, if not suspicion.

Dr. Elders cut a fine figure in the uniform of the surgeon general, with the *elan* of an elevator operator at the Ritz, or at least the *eclat* of the Army chief of staff inspecting the barracks at lights out, making sure that every private has a suitable privette with whom to make it through the night. She was all spit and polish, setting a high standard for Dr. Foster. Her brass buttons sparkled, and with all that braid on her sleeve she could have been mistaken for Chief Justice Rehnquist.

So far as anyone knew, she was never in the abortion trade, but in appointing Dr. Foster, the president keeps the "condom seat" warm in his administration. In future, no one will be considered for surgeon general without experience in running rubbers.

The tip that the president may be playing this one as an exercise in one-upmanship came yesterday from Mike McCurry, the president's press agent. "It would be unfortunate if they take the nomination of Dr. Foster and turn it into a litmus test on choice," he said.

The not-so-subtle reminder to the Republicans is to remember what the Democrats did to Robert Bork, turning his skepticism to the idea that the right to an abortion is mandated by the Constitution into the litmus test that sank his nomination. "You may do it to us," the president is saying to the Republicans, "but we did it to you first."



Zoe Baird

The Republicans are playing to the script, too. "I want to support the president and we're certainly going to look at it," Sen. Orrin Hatch of Utah told an interviewer. "But there are some troubling things concerning his nomination."

Said Sen. Trent Lott of Mississippi on Sunday: "I do think it is in serious trouble." Sen. Bob Dole of Kansas asked himself: "Will it be in some difficulty?" And then he answered himself, happy that he had asked himself that question: "Yes."

The depth of the trouble can be measured by Nancy Kassebaum's anger. She's one of the Nice Republicans who are almost impossible to offend, and she's offended.

The disintegration of the Foster nomination is following the script written for Zoe Baird, improved on by Kimba Wood and perfected by Lani Guinier: Fudge it at first, and if you don't succeed, fudge again, keeping the story on the front pages every day until the president looks as silly as a razorback on ice.

This seems to be the only script Bill Clinton owns. You might think that his pals Linda Bloodworth and Harry Thomason, the greatest American dramatists since Eugene O'Neill, would have lent a hand by now.

The White House describes as merely an "honest mistake" the assurance that Dr. Foster first gave that he had performed just one abortion. It was after he reviewed his records, the White House said yesterday, that he found a few more — but still "fewer than a dozen." This sets the stage for review of further records, and maybe it wasn't a dozen. A hundred here, seven hundred there. A man can't remember everything.

The transcript of Dr. Foster's testimony before an ethics panel of the Department of Health, Education and Welfare reveals an interesting estimate by Dr. Foster himself: "I have done a lot of amniocentesis and therapeutic abortions, probably 700." Dr. Foster says he didn't say it.

Senators don't like to be fibbed to, but the good news is that despite that neat uniform it doesn't matter. Does anybody know what a surgeon general actually does, besides arranging our surgeons for the St. Patrick's parade? Comic opera, like Bill Clinton, is not to everybody's taste, and even the very model of a modern model surgeon general, like this president, may be irrelevant.

Today's debate: THE NEW SURGEON GENERAL

USA Today; 2-7-95

Ability, not abortion, is test of surgeon general

OUR VIEW **Henry Foster has done what thousands of good doctors have done — provided care for his patients.**

In 30 years of medical practice, Tennessee gynecologist and obstetrician Henry Foster distinguished himself by combining conscientious patient care with helping the less fortunate to help themselves.

For that, some want to deny him the job of surgeon general.

Opponents of sex education, teen birth control and abortion are flooding Capitol Hill with condemnations of President Clinton's latest nominee. Not only does Foster support all the things they don't, he actually admits performing abortions.

Foster says he performed fewer than a dozen abortions, primarily to save the lives of the mothers or to help victims of rape or incest.

That is no reason to kill the nomination. As long as the abortions were legal and Foster's accounting is truthful, he deserves to be confirmed.

Foster should not be condemned for doing what committed physicians do every day, ministering to the total health needs of his patients. When the patients are women, that sometimes means abortion.

Most of the more than 35,000 U.S. obstetricians and gynecologists have performed abortions, according to estimates from the American College of Obstetricians and Gynecologists.

Instead of fixating on the number of abortions performed by Foster, how about answering the most pertinent question: Is he qualified to be the nation's public health spokesman?

Yes, if you judge Foster on his medical credentials and community service.

A dean and acting president of Meharry Medical College, Foster has been endorsed by the American Medical Association and ACOG. He's won national recognition and awards for his campaign to reduce infant mortality and to curb teen pregnancy and drug abuse. His "I Have a Future" program encourages young people to delay sexual activity, develop job skills and improve self-esteem.

As surgeon general, Foster says he will continue working to reduce out-of-wedlock pregnancy.

Aren't those the very goals of the people now vowing to kill Foster's nomination? And aren't these the critical problems we want a surgeon general to address?

When Republicans were the minority in Congress, they constantly preached that the ultimate litmus test for presidential nominees should be qualifications, not ideology or politics. Now they are poised to let an aggressive minority toss that standard out the window.

If Foster is qualified, make him surgeon general. But don't eliminate him merely because he did his job as a physician and he did it well.

▶ Foster controversy, 1A

USA Today; 2-7-95

Foster isn't fit for job

OPPOSING VIEW **A physician who would perform abortions can't be trusted in such a high national office.**

By Judie Brown

Henry Foster Jr. is a physician who has, during the course of his medical career, opted out of the Hippocratic Oath and bought the lie that abortion is a good thing.

His nomination by pro-abortion President William Jefferson Clinton for the office of surgeon general is a joke, a very bad joke that could cost the lives of many more preborn human beings if Foster is confirmed.

America now knows his dirty little secret, that during his medical career he personally aborted several little children.

This admission alone must cause every responsible politician to pause.

A doctor who has already perpetrated an act that is diabolical in the eyes of millions of Americans is not a doctor who will be trusted, regardless of his political mantle of respectability. After all, do we really want a surgeon general who has already proven his "compassion" with instruments designed to kill?

Foster is not qualified to be surgeon general. He is a man who has admitted to taking the lives of preborn children, and he has made no apologies for his grisly action.

He committed abortion in a hospital setting, and we surmise that he somehow feels this is an acceptable thing. It is not.

Foster's basic studies in biology and his early medical training taught him that a person exists at fertilization. Destroying that person is not a "reproductive activity," as administration officials have suggested; it is a tragedy.

A preborn child is not a cancerous growth or a disease. A preborn child is a human being, and Foster just doesn't get it.

Morally and ethically, regardless of what the law says or does not say, no physician is ever forced to abort a child. Obviously, Foster wanted to do those abortions, and he did do them.

A man who can find reasons to eliminate a tiny baby, a fellow human being, is a man who has trouble separating rhetoric from reality. An abortion destroys somebody. Abortion kills.

The United States does not need a surgeon general who denies such a basic truth in his professional practice, even if all of his other qualifications elevate him to sainthood — which, I might add, they do not.

Henry Foster must be rejected by the Senate and, most important, by the American people.

His prescription for solving women's problems is deadly.

Judie Brown is president of American Life League, based in Stafford, Va.

L.A. Times; 2-7-95

Turning Blind Eye to a Life of Merit

Nominee's foes obsess about the abortion issue

There is no doubt that the precarious welfare of millions of U.S. children and young adults is among this nation's most pressing public health problems. One-eighth of children born in the United States are born to teen-age mothers. The rate of teen pregnancy and birth in this country is considerably greater than that in most other developed nations. A growing number of American children, regardless of the age or marital status of their mother, are now reared in poverty and amid violence. Indeed, Republicans and Democrats agree on the need to reduce teen-age pregnancy, mitigate child neglect and improve the quality of parenting.



Foster: Surgeon general choice.

Given these needs, Dr. Henry Foster Jr. has an excellent background to be the next surgeon general. Foster, nominated by President Clinton, is a former dean and acting president of Meharry Medical College in Nashville, Tenn. The obstetrician/gynecologist, 61, was nominated last week after Clinton ousted Dr. Joycelyn Elders in December because her frank but controversial statements on teen-age sexuality embarrassed the Administration.

Foster's commitment to reducing teen-age pregnancy and its rippling effects on children is longstanding and deeply felt. The nominee is best known for a program he started in two Nashville public housing projects. The program, called "I Have a Future," aimed at teaching teen-agers to delay sexual activity and childbearing as a central element in building successful lives. While practicing in Massachusetts and Alabama as well as Tennessee, Foster was committed to reducing teen-age pregnancy, drug abuse and smoking. His work has generated support from many directions; the Bush Administration referred to him as one of its "thousand points of light."

But, for some, all these good works matter little because over the course of his 30-year career, Foster performed abortions. As a result, his nomination is in trouble. Never mind that despite the best efforts of ideologues, most abortions remain legal and most Americans support the right to choose an abortion. And never mind that Foster has delivered more than 10,000 babies and helped countless teen-agers in distress.

Sen. Trent Lott (R-Miss.), among others, seems to relish the prospect of a bruising confirmation fight with the President over the abortion issue. This time Clinton must stand firm, as he vowed to do Monday.

By afternoon the President's support of Foster seemed more conditional; Clinton said he would fight for the nominee "if the facts are as I understand them to be." If Clinton believed in Foster enough to nominate him, the fact that as a gynecologist he performed legal abortions should not cause presidential support to evaporate. And the GOP should recall its 1992 convention, which obsessed about social issues like abortion and homosexuality, and remember that it helped clear the way for Clinton's election.



By Tim Dillon, USA TODAY

NOMINEE: Nashville gynecologist/obstetrician Dr. Henry Foster Jr. and his wife, St. Clair Foster, flank President Clinton at announcement of nomination.

USA Today; 2-7-95

Face reality; urge nominee for surgeon general to cooperate with parents, promote abstinence

Republican senators considering the nomination of Dr. Henry Foster for surgeon general ought to distinguish between what can and cannot be done regarding abortion and youthful sex.

Like Dr. Joycelyn Elders, Foster has supported abortion and distribution of condoms to youngsters. However, he has, unlike most apologists for such strategies, also led a program to promote abstinence — honestly working to make abortions rare.

The real question should center around the role of the surgeon general and how Foster would use his office.

One of the most outrageous things about Elders was the role she saw for the federal government, especially in cases where minor children and their parents differed about the desirability of the children engaging in sex. Elders appeared to weigh in the feds on the children's side against parents, seeming to hold that parents' arguments for abstinence were both futile and worthless. It is little wonder so many parents despised and feared her activities.

Republican senators should ask nominee Foster if he will work with and for parents seeking to promote abstinence, or against them.

It is unrealistic to expect that any Democrat would be considered for high health office without passing the abortion-rights litmus test. So concentrate attention where progress might be made — working with parents to promote abstinence and honestly working to make abortion rare.

James G. Thomson, Chesapeake, Va.

Wash. Times; 2-7-95

Suddenly losing the war against drugs

By William J. Bennett and John P. Walters

"[President Bush] hasn't fought a real war on crime and drugs, I will."
— Bill Clinton, Democratic National Convention, July 16, 1992.

During the first half of the Clinton presidency, the morally serious and tough-minded anti-drug policies of the Reagan and Bush years have been replaced with such Clinton-era messages as the president's infamous "I didn't inhale" comment and the former Surgeon General's repeated calls to study the legalization of drugs.

Enforcement has been de-emphasized and Attorney General Janet Reno has decried the harshness of federal mandatory minimum prison terms for drug crimes, complaining that too many dealers are in prison. Over the past two years, the administration and its Democratic congressional allies have slashed drug interdiction and domestic drug eradication activities. Offering enforcement assistance to — and if that did not work, sanctioning — foreign countries where cocaine and other drugs are produced and shipped to the U.S. has ceased to be a foreign policy priority. And the Clinton administration's announced priority? Drug treatment. Yet neither the president nor the Democratic leaders in the 103rd Congress provided the treatment resources they said were needed most. In this area, as in so many others, the President said one thing and did another.

The results of the administration's indifference are now in. And they are not good.

Last July, the White House released a "Pulse Check" on "national trends in drug abuse" reporting that supplies of cocaine, heroin, marijuana and other illegal drugs were plentiful. And in mid-December, the Clinton administration announced that, in 1994, illegal drug use by teenagers — specifically 8th, 10th, and 12th graders — rose sharply in 1994. (See chart.)

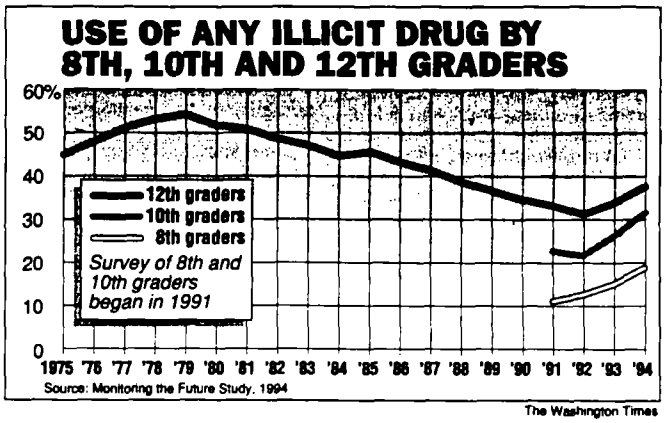
In response, the Center on Addiction and Substance Abuse at Columbia University warned, "If historical trends continue, the jump in marijuana use among America's children (age 12-18) from 1992 to 1994 signals that 820,000 more of these children will try cocaine in their lifetime. Of that number, about 58,000 will become regular cocaine users and addicts."

The administration also revealed that drug-related emergency-room cases — dominated by aging, inner-city drug addicts — have reached the highest levels ever, in reporting going back to 1978. Cocaine, heroin, and marijuana cases all increased sharply to record levels.

Put another way: if these trends continue, by 1996, the Clinton administration will have presided over the greatest increase in drug use in modern American history. And this will have occurred after a reduction of overall drug use of more than 50 percent between 1979 (the peak) and 1992, and a reduction of almost 80 percent in cocaine use between 1985 (the peak for cocaine) and 1992.

President Clinton has shown little concern about the carnage drugs cause. Where violent street crime once seemed to be fed largely by battles between cocaine and crack dealers, drug testing of urban arrestees reveals most of them are drug users and under the influence of drugs when they commit a wide array of violent crimes.

Drug use is also a major contributing factor to child abuse. Last April, Newsweek magazine published a long article on child abuse. It reported what those working in the field have known for years: "Drugs now suffuse 80 percent of the caseload; sexual and physical assaults that once taxed the imagination are now common." In the same month, The New York Times Magazine ran a cover story which profiled of a group of homeless, street people in New York City. All the individuals featured in the article were drug addicts. Whether it is violent crime, child abuse, homelessness, or inner-city poverty, drugs — and in particular crack cocaine — have made those social pathologies far more acute and in some places, unmanageable. While there are other factors contributing to these pathologies, it is crack that sustains the violence that is ripping apart large segments of American society.



We believe two myths present serious obstacles to reducing such drug use. First is the mantra that the root causes of drug use are poverty, racism and "low self-esteem." And second is the more general view that therapy by a team of counselors, physicians and specialists is the only effective way to reduce drug use. At their core these myths deny individual responsibility and assume that drug use is not the product of an individual's decision, and that decisions are somehow made in a vacuum where things like fear of getting caught, public disgrace, and punishment are never considerations. This attitude is precisely what got us in trouble in the first place. Reversing the new drug epidemic, and finishing the job of the Reagan and Bush years, requires restoring common sense about the drug problem and a recognition of the primary importance of the things contemporary liberalism has sought to discredit: enforcement, individual responsibility, and reducing the supply of drugs on our streets.

Drug enforcement and individual responsibility are important because drug use can be intensely pleasurable. The desire for drugs must be countered by certain moral precepts: drug use is wrong and those who use and traffic in illegal drugs deserve to be punished. A responsible community teaches these things by what those in positions of authority — parents, religious leaders, teachers, friends, employers, and political officials — say about drugs and how they act toward drug use and sale. If those in authority do not address the issue seriously, they teach that drug use is not a serious matter. And if they say drug use is intolerable but fail to act effectively to stop and punish those who sell and use drugs, their actions convey a much more powerful lesson than their words.

Reducing the supply of drugs is important because drug use — whether by non-addicts or addicts — is fueled by the desire to use and by the ease with which those who want drugs can obtain them. A nation that permits wide availability of dangerous drugs is sending its citizens, particularly its youngest citizens, an unwitting message: We are indifferent to drug use. The harsh reality is that drug use begins with experimentation, with a substantial portion escalating to addiction, which often ends in death. A free, democratic society ought to display a special intolerance for those things that destroy people's virtue and eventually, destroy people's lives.

There are some who believe the drug war is unwinnable. They argue that the federal government has spent enormous sums of money to no effect and they assert that the drug trade is too rich and too powerful to be defeated. This is the "big lie" about the drug problem, and it is demonstrably false. The success of the 1980s gives witness to the lie.

First, the energy and resources devoted to the anti-drug effort during the last two administrations, combined with hardening public attitudes, produced dramatic declines in the drug problem. No other contemporary social pathology has declined by 50-80 percent. The drug war was a huge domestic policy success that some have simply denied and are now dismantling.

Second, while federal spending on the drug war was substantial, it only approached $12 billion at the end of the Bush years. At no time did such spending exceed federal spending for, say, NASA. The point here is that neither the space program nor the federal anti-drug effort ever represented a serious burden in terms of the federal budget. And busting the budget today is not required either. In fact, for the president to devote only a modicum of his valuable time, seriously, to the drug issue can make a significant difference.

Finally, there is no question that the drug trade has created some very wealthy and powerful criminals here and abroad. But they are not invincible. They corrupt and terrorize third-world countries and inner-city communities, largely because they are not seriously challenged. In 1989, Pablo Escobar was the well-known king of the Medellin Cartel, the seemingly unconquerable "King of Cocaine." A year later he was on the run. Eventually, even the corruption-plagued Colombian government was able to hunt him down and destroy the Medellin Cartel in the process.

Our drug problem will continue to get worse until we once again pursue responsible, intelligent, and tough-minded policies. We have the means, it is simply a matter of whether we have the will. Consider this question: what would be the national response if a foreign-produced poison was contributing to the large-scale killing of white children in Chevy Chase, or Scarsdale, or Scottsdale? Would we have long debates about "root causes" — or would we do whatever it took to close open-air drug markets, put an end to the killing, and stop the poison from reaching our children? We all know the answer to this question. It's time federal policy showed the same kind of concern for poor black inner city residents as it does for residents of upper middle class white neighborhoods.

William J. Bennett is co-director of Empower America and former White House drug policy director during the Bush administration. John P. Walters is president of the New Citizenship Project and former deputy director of drug policy during the Bush administration. This article is the first of a series of four.

N.Y. Times; 2-7-95

Help the World's Children and Our Economy

To the Editor:

Urging "Foreign Aid, in Moderation" (editorial, Feb. 2), you note how modest programs that fight "poverty, disease, overpopulation and environmental degradation can prevent the sort of political instability and humanitarian disasters that ultimately require more costly American involvement."

That is why Representative Jim Walsh, Republican of New York, and Representative Tony Hall, Democrat of Ohio, have introduced the James P. Grant world summit for children implementation bill.

The bill seeks to fulfill the goals of the 1990 world summit for children, where President Bush and 158 other leaders pledged, by the year 2000, to reduce child mortality by at least one-third, reduce maternal deaths and child malnutrition by one-half, provide access to basic education for all children and give all families access to clean water, safe sanitation and family planning information and assistance.

A great deal has been done. Thanks to inexpensive child immunization programs, some three million lives have been saved. But two million preventable child deaths occur each year from childbirth-related causes, almost half of all rural women remain illiterate and more than 100 million children, mostly girls, are not in primary schools.

To remedy such situations, the Walsh-Hall bill would shift some funds in the foreign aid budget out of wasteful, unproductive or outdated programs and into programs "to meet the needs of children" — child survival, basic education, vitamin A and micronutrients, Unicef, refugee assistance, population planning and AIDS prevention.

As Mr. Walsh explains: "We're not just talking about doing good things for children and families overseas. The well-being of children and families in third world countries contributes to our security. If we want to slow the flow of illegal immigration, we must help people see a future for themselves and their families. If we want to see jobs expand in this country, we must help people work their way out of ill health and poverty so they can buy the things we make."

LORNA HAHN
Executive Director
Association on Third World Affairs
Washington, Feb. 2, 1995

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Buy American

To the Editor:

Re "Foreign Aid, in Moderation" (editorial, Feb. 2): Most citizens might agree it is important for the United States to continue foreign aid that "can prevent the sort of political instability and humanitarian disasters that ultimately require more costly American involvement." But it may be easier to justify foreign aid programs that consist only of products and services purchased in the United States. That would mean a



Pasquale Reca

$12 billion investment in our economy while achieving our stated goals.

TED SCHULTE
Lake Forest, Ill., Feb. 2, 1995

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Don't Aid Arms Race

To the Editor:

I agree with much of "Foreign Aid, in Moderation" (editorial, Feb. 2). Any aid that can reduce the causes of political instability, humanitarian disasters or war is money wisely spent. However, I must vigorously disagree with your view that the $3 billion in aid to Israel and the $2.1 billion in aid to Egypt each year "directly reduce risks to U.S. security" and are positive uses of the foreign aid budget.

Of the $3 billion given to Israel, $1.8 billion is for the purchase of American-made weapons. Of the $2.1 billion Egypt receives each year, $1.3 billion is exclusively for acquisition of American arms.

That the United States Government lists this military support under the rubric of promoting the Middle East peace process is a euphemism that obfuscates the real nature of this aid.

It is unclear how giving these two countries a total of $3.1 billion in weapons each year helps promote United States security while adding to the Middle East arms race.

The same day your editorial ran, a news article noted that the State Department's annual human rights report listed Israel and Egypt among countries that violate human rights. Why is it in our interest to give these countries billions in weapons each year when they pursue internal security measures that we would not tolerate here?

Yes, the world is a dangerous place. But this level of military aid is a cold-war relic that should be shifted to tackle the problems that cause instability around the world. Congress should strip this military aid from Israel and Egypt and urge the Administration to initiate regional negotiations to create an arms cap similar to the one imposed by the Conventional Forces in Europe treaty. That effort would truly promote the Middle East peace process.

THOMAS A. CARDAMONE JR.
Washington, Feb. 2, 1995

The writer directs the conventional arms transfer project of the Council for a Livable World Education Fund.

Balt. Sun; 2-7-95

Welfare Whiners

Recently the American Civil Liberties Union sued various officials over alleged segregation in public housing projects and one of the local television stations covered the story.

A woman living in the projects was complaining about the neighborhood in which she lived and said she wanted a better life for her children.

To this woman, and the ACLU I have something to say:

My husband and I both get up at 5:15 a.m. to go to work every day. I travel 42 miles each way to get to my job in order to collect a paycheck that goes toward paying our bills.

I have been working for 31 years, and we have earned everything we have. We have never received a welfare check or food stamps.

I had only one child because that was all that I could afford on the money I earned. No one offered me a monthly check for having more children.

My son went to a private school because I worked to send him there. I did not receive free breakfast or lunch money for him; it came out of the salary I worked for.

We would love to live in a better neighborhood. However, we are not afforded a monthly housing allotment. Therefore, we live where we can afford the mortgage.

We live in a neighborhood of many welfare mothers, an alleged murderer (now in jail pending trial), neighbors who steal from others. Many of the neighboring apartment complexes are federally subsidized.

When I go to the grocery store, I am almost always behind someone using their "Independence" card, while I write a check for my groceries from the money we earn.

Several months ago I was behind a welfare mother who purchased $143 in groceries on her "Independence" card and went home in a cab, while I went home in my car that was six years old.

You need to keep your doors locked at all times when driving through the neighborhood and keep your home secured.

On a positive side, we have many decent neighbors and we watch out for each other.

The ACLU should save its money for something worthwhile — perhaps a campaign to tell the people in the allegedly segregated housing to stay in school and get a job.

Maybe then they can earn their groceries and a better home, the way the working people of this country do.

Ginny Phillips
Baltimore

THE GREEN SHEET SUMMARY OF NEWS CONTENTS FOR WEDNESDAY, FEBRUARY 8, 1995

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Wall St. Jrnl.; 2-8-95 p. 1

World-Wide

CLINTON'S BUDGET CAME under fire from both Democrats and Republicans.

Lawmakers attacked the president's newly released budget for not being aggressive enough in cutting spending. In House and Senate hearing rooms, Democrats gave the budget a tepid review, in contrast to the favorable response that presidents' budgets usually get from members of their own party. "How can we entertain the notion of a tax cut when we need $1.2 trillion in savings to balance the budget?" asked Nebraska's Sen. Exon. (Article on Page A2)

Treasury chief Rubin argued that the deficit is "under control," saying the administration has already trimmed it by $100 billion over two years.

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The president announced that he would impose stricter sanctions against employers of illegal aliens. He said he wants Congress to allocate $93 million in fiscal 1996 to boost enforcement of laws relating to illegal immigrants. Federal officials estimate that four million illegal aliens are in the U.S.

* * *

Clinton will send Congress legislation today that would impose binding arbitration to resolve the 179-day baseball strike. He emerged late last night from a five-hour meeting at the White House with representatives from both sides after failing to close the gap between players and owners.

* * *

A Chinese newspaper blamed a Hughes satellite for last month's explosion of a Chinese rocket that killed six people and injured 23. An official with the GM unit called the government-backed newspaper's report "irresponsible and incorrect," noting that a joint investigation will take some time to complete. (Article on Page A10)

* * *

Israel and the PLO resumed negotiations in Cairo after a month-long suspension, saying they are drafting plans for Palestinian elections. In the Gaza Strip, meanwhile, Palestinian police rounded up dozens of followers of a Syrian-based radical faction that has been linked to Monday's slaying of an Israeli security guard.

* * *

Medgar Evers's widow declared her candidacy for the chairmanship of the financially troubled NAACP. Myrlie Evers-Williams, 62, said it was time to get the organization "back on course," citing recent highly publicized infighting. The election is scheduled for Feb. 18. Her husband, an NAACP official, was slain in 1963.

* * *

The Interior Department moved to ease a ban on timber cutting in Washington state and California on private land inhabited by endangered northern spotted owls. The rule would require landowners to protect only the 70 acres surrounding a nest. The areas are in Washington and in Northern California.

* * *

Republican Huffington conceded defeat to incumbent Democrat Feinstein in the race for one of two California seats in the U.S. Senate. In a statement issued three months after the election, he congratulated Feinstein on her narrow victory. Huffington spent nearly $28 million of his own money during the campaign.

* * *

Police in Ireland seized an IRA weapons cache consisting of 12,000 rounds of ammunition, some of it for heavy machine guns. Officials said the IRA arms seizure was the largest since the guerrillas' Sept. 1 cease-fire announcement. Separately, Ireland's Parliament voted to scrap emergency laws intended to crack down on the IRA.

* * *

Peruvian troops were pressing their assault on a border outpost held by Ecuador, according to news reports from Lima. On Monday, Ecuador's forces were said to have fired land-to-land missiles against Peruvian positions in the disputed border area. The two nations have been fighting for two weeks over the remote jungle region.

* * *

Russian forces said they seized more of Chechnya's capital, and one rebel indicated Chechen commanders were considering pulling out of Grozny. In Moscow, defense officials said Russia's army, which has borne the brunt of fighting over two months, was preparing to withdraw, putting Interior Ministry forces and police in charge.

* * *

Poland's coalition parties agreed on a new prime minister to succeed Waldemar Pawlak. Parliament Speaker Jozef Oleksy reportedly will be nominated to replace Pawlak, who is opposed by President Walesa. Walesa had demanded Pawlak's removal amid a political crisis sparked by discord over economic reform.

THE GREEN SHEET

News About the U.S. Department of Health and Human Services

Vol. 42 No. 26 Wednesday, February 8, 1995

Wall St. Jrnl.; 2-8-95

Both Parties' Welfare Plans Are Assailed

Experts Say Proposals Ignore Wide Economic Impact

By Fred R. Bleakley
Staff Reporter of The Wall Street Journal

As the debate over welfare reform heats up, academic economists and labor experts are entering the fray with sharp criticism for both the Republican and Democratic proposals.

They say the plans ignore economic realities – such as changes in the business cycle – and are devoid of any serious discussion of the economic consequences of reducing federal financial assistance to low-income families. These economists argue that the current proposals to change welfare would raise the poverty rate and reduce per capita income levels, trends that could have a ripple effect throughout rural and inner-city communities.

It's not that economists favor the current system. Indeed, most economists believe that welfare reform is badly needed and – like many politicians – they argue that the current system undermines the work ethic, perpetuates the cycle of dependency and diminishes parental control over the family. But they also believe that lawmakers have become so preoccupied with reducing federal spending that they are missing an opportunity to bring long-lasting and positive benefits to society.

"The nation shouldn't forget that the safety net put in place over the last 50 years does a lot of good," said Robert Haveman, a professor at the University of Wisconsin in Madison. He contends that without welfare payments the poverty rate in 1991 would have been 22% of the population, instead of less than 13%.

Both President Clinton's plan and the GOP legislators' proposal for a Personal Responsibility Act call for strict time limits on welfare dependence to force many of the five million parents receiving aid for their children into the workplace.

The GOP's plan also would place a cap on spending for key welfare programs instead of allowing them to continue as entitlements whose costs rise during hard economic times. States would receive these block grants to use as they see fit in eight broad areas, such as housing, health, food and nutrition and employment and training. They would replace more than 300 existing programs that distribute $125 billion annually.

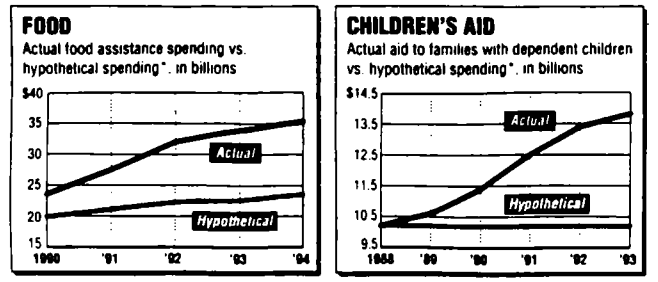
Capping the spending levels will save billions of dollars and help balance the federal budget, but local economies in many downtrodden areas will suffer and homelessness among women and children will most likely rise, according to the experts.

Herbert Stein, a former chairman of President Nixon's Council of Economic Advisors, said that the problem with cutting entitlements is that during times when jobs are scarce, fewer people will have money to spend "for groceries, paying rent, buying gas and other things that keep a local economy floating." Moreover, the economy as a whole loses "a little bit of the stabilizer implicit in automatic payment programs when the country is in bad shape," Mr. Stein said.

Other critics feel the two parties are too optimistic about the number of jobs available for welfare mothers. "Anyone who studies the labor market knows it can't quickly absorb millions of low-wage people without skills or job experience," said Teresa Amott, associate professor of economics at Bucknell University. Gary Burt-

See WELFARE, p. 11

How Block Grants Cut Welfare



*If GOP Personal Responsibility Act had been enacted in 1989 for food and 1988 for children's aid
Sources: Center on Budget and Policy Priorities, U.S. Department of Health & Human Services

N.Y. Times; 2-8-95 p. 1

Abortion Foes Attack Record Of a Nominee

By JERRY GRAY
Special to The New York Times

WASHINGTON, Feb. 7 — President Clinton's nominee for Surgeon General was dealt another blow today as anti-abortion forces stepped up their assault on his record, saying he had participated in a study designed to help women induce their own abortions.

Congressional Democrats complained that the White House was not adequately defending Dr. Henry W. Foster Jr., an obstetrician and gynecologist from Tennessee, and even some of his supporters warned that his veracity was in doubt and his nomination could be in trouble.

Besieged by a debate over how many legal abortions Dr. Foster has performed in a 30-year career in a field in which abortions are common, supporters argued that the debate over numbers was a diversionary tactic and should not be the test in choosing a nominee.

The White House, which had earlier stressed Dr. Foster's insistence that he had performed fewer than a dozen abortions, agreed that the battle pover numbers was a diversionary tactic. "The Administration believes the number of pregnancy terminations conducted by a highly qualified physician ought not to be a factor," said Michael McCurry, the White House spokesman.

The White House did not attempt

See FOSTER, p. 3

Wash. Post; 2-8-95

Major Medicare Changes Pressed

Private Groups, Lawmakers Seek to Head Off Program Bankruptcy

By Spencer Rich
Washington Post Staff Writer

Major health care interest groups, resuming the debate over health reform, focused yesterday on a key program facing overhaul by Congress this year: Medicare.

The American Medical Association (AMA), American Association of Retired Persons (AARP) and senior lawmakers in separate meetings yesterday offered plans and positions on ways to remake the Medicare program, which provides government health insurance to 37 million aged or disabled Social Security recipients, and is expected to go bankrupt by the year 2001.

AMA leaders said at a news conference here that Medicare needs a major restructuring to save it from bankruptcy, but insisted that should not be achieved by slashing doctors' or other health care providers' fees. The American Hospital Association and others that provide health services have taken a similar position and a coalition is forming to fight such cuts.



REP. BILL THOMAS
. . . opens hearing on premiums

"Medicare does good things, it gives my 81-year-old mother access to care," said AMA President-elect Lonnie R. Bristow. But he said outlays for Medicare "keep going up and up and up."

House Speaker Newt Gingrich (R-Ga.) and others GOP planners have put Medicare on the table because they may need to cut hundreds of billions of dollars from the program over the next seven years to offset proposed federal income tax cuts and balance the budget. Moreover, Medicare's hospital trust fund is projected to go bankrupt in 2001 because costs are rising far faster than revenue from the Medicare payroll tax—in part because there are more elderly and they live longer and because the government keeps adding more services for them, Bristow said.

AMA President Robert E. McAfee said Congress has saved on Medicare in past years mainly by restraining doctor and hospital fees, leaving many so low that more cuts would force an exodus of primary care doctors from many rural areas.

Bristow said one step in reform would be "making financing fair. It should be free for those who can't afford it" but young people with modest incomes should not be forced to bear most of the added costs through payroll tax increases. Means testing for the well-to-do also should be considered.

He also encouraged eliminating waste, fraud and abuse, cutting red tape and reforming malpractice laws so doctors do not give extra treatments to insulate themselves from lawsuits. Bristow also encouraged public campaigns on preventive care and living wills.

Bristow said it might be possible to experiment with letting Medicare patients opt out of the basic Medicare program that pays bills directly and instead join private health plans—including HMOs—with the government paying the premium. This would encourage insurance plans to cut costs to compete for patients.

AMA officials released a list of hundreds of billions of dollars in savings options, many raising costs to patients, such as increasing the patients' co-insurance rates for many services.

Meanwhile, a House subcommittee headed by Rep. Bill Thomas (R-Calif.) opened hearings on charging well-to-do recipients higher Medicare premiums. AARP and the National Committee to Preserve Social Security and Medicare opposed the idea. Former Medicare administrator Gail R. Wilensky, Concord Coalition executive director Martha Phillips, Sen. Judd Gregg (R-N.H.) and Sen. Bob Kerrey (D-Neb.) endorsed it.

nuevo SIGLO

"Uniendo a la comunidad hispana a través de la Comunicación Impresa"

TAMPA, JUEVES 26 DE ENERO DE 1995



Secretaria de Salud, Donna E. Shalala, agradece al actor James Olmos su lucha en favor de la juventud

Edward James Olmos participó en una conferencia auspiciada por el departamento de salud en la cual la prevención de violencia, drogas, y pandillas fue discutida entre jóvenes. Olmos, quien en su vida privada es muy activo en causas civiles, también se presentó ante el nuevo Congreso republicano para defender programas y fondos gubernamentales que ayudan en el desarrollo sano de adolescentes. Olmos es muy conocido por su actuación en el programa Miami Vice.

Wash. Post; 2-8-95 p. 1

Abortion Issue Surprised White House

Trouble for Surgeon General-Designate Reflects Lack of Preparation

By Ann Devroy
Washington Post Staff Writer

When President Clinton settled on Tennessee physician Henry W. Foster Jr. as his nominee for surgeon general, he thought he had a candidate with a "perfect profile," a man heavily involved in curbing teenage pregnancy who had delivered thousands of babies and had even been cited as a hero by then-President George Bush.

But what Clinton and his aides did not fully debate is abortion, one of the most emotional issues in the country, and whether they were prepared for a battle over it.

Now the president, hobbled by incomplete information on his nominee and embarrassed by erroneous information dispensed once and maybe twice about Foster, has been thrust into an unwelcome and uncomfortable political fight that shows no signs of abating.

Yesterday, Clinton repeated that he stands behind his nominee and will fight for him. But faced with a gush of allegations about Foster's record, the White House put deputy chief of staff Erskine Bowles in charge of an emergency fact-gathering mission: summoning Foster to the White House on Monday night to answer questions; dispatching aides to Tennessee to examine his record; and assigning a half-dozen aides to find out the facts that were not examined before Clinton announced his intention to nominate Foster in an Oval Office ceremony last week.

Cont'd on next page

FOSTER, from p. 1

today to offer any definitive count. Nor did it try to clarify apparent contradictions between Dr. Foster's statements and documents suggesting that he had performed far more abortions than he acknowledged.

Although the President and various White House officials issued statements supporting Dr. Foster,

Continued on Page A16, Column 1

Continued From Page A1

Democrats and Republican alike were predicting a troubled confirmation, particularly if the veracity of the candidate became an issue. Even some initial supporters were beginning to doubt his prospects.

"While I would like to be able to support Dr. Foster, I will not make a decision on his nomination until complete information on his background" becomes available, said Senator Bill Frist, a Republican freshman from Tennessee who is a doctor and a friend of Dr. Foster. Mr. Frist had initially applauded the choice of DR. Foster for the job.

Speaking of Dr. Foster's prospects, Senator John B. Breaux, Democrat of Louisiana, said: "Rough seas. He's got a rocky road ahead of him."

The anti-abortion groups trying to block Dr. Foster's Senate confirmation released new documents showing that Dr. Foster had directed a study in the 1980's to test drugs designed to let women induce their own abortions. On Monday they released a transcript of a 1978 hearing at which Dr. Foster was quoted as saying, "I have done a lot of amniocentesis and therapeutic abortions, probably near 700."

The speaker did not give a breakdown of how many of either procedures had been performed. An amniocentesis rarely causes and abortion.

But on Monday, Dr. Foster denied making those comments and the White House stood by him. Today the White House said it was aware of the abortion study and defended it as a research program that was approved by the Federal Drug Administration.

But the anti-abortion groups' strategy appeared to have struck a political nerve and left the White House looking vulnerable as it first asserted that Dr. Foster had performed only one abortion, then said he had performed about a dozen, then declined to comment on numbers while it compiled a study of his medical practice.

President Clinton, who said on Monday that he would continue to back Dr. Foster "if the facts are as I understand them to be," was more supportive today. Asked about the varying reports of abortions Dr. Foster had performed, he said, "I believe that they've been cleared up, and I certainly support him."

But Michael McCurry, the White House spokesman, said, "It's clear that there are questions arising on Capitol Hill about his medical practice and for that reason the administration is now compiling an exhaustive and complete analysis of that practice which we will be able to share with members of the Senate."

Dr. Foster has not commented directly on any of the controversies that have surrounded his nomination and he has declined to be interviewed. That has left the field largely to his opponents and there were signs today that they have been able to plant seeds of doubt in the minds of those who are inclined to support the nomination, including some moderate Republicans who may hold the deciding votes.

"I urge my colleagues in the Senate to withhold judgment on Dr. Henry Foster Jr. until we know all the facts," said Senator Arlen Specter, a Republican from Pennsylvania.

But Mr. Specter, a candidate for the Republican Presidential nomination, said he was "very concerned about allegations that Dr. Foster misrepresented his record."

"If the issue is veracity and character, that may be a basis for disqualification," he said.

Concerned that Mr. Clinton might be waffling in his support and perplexed by the near silence of Senate Democrats, a group of House Democrats today began their own campaign in support of Dr. Foster.

"The majority of Americans will not allow a narrow band of extremist special interest groups to derail Dr. Foster's nomination," said Representative Nita M. Lowey, a Democrat from New York and the co-chairwoman of the House Pro-Choice Task Force. "We will not tolerate the harassment of doctors, whether it occurs in front of clinics or on Capitol Hill."

A handful of Senate Democrats, Barbara Boxer of California among them, have spoken out in support of Dr. Foster.

Groups as varied as an association of medical school deans and the American Jewish Congress rushed to the nominee's defense. But one group of abortion supporters, angry with both the White House and Dr. Foster, called for the nomination to be withdrawn, saying it was no longer appropriate.

Divisive Issue Imperils Surgeon General Choice

from previous page

"The next time we utter a number" of abortions performed by Foster, said Avis LaVelle, spokeswoman for the Department of Health and Human Services, "it won't be based on Dr. Foster's recollection. It will be based on a thorough review of all the records so he is not vulnerable to these allegations."

Some administration officials, and Clinton's abortion rights allies, are perplexed and angered that he is now in the situation of arguing over how many abortions Foster has performed. They argue that having Foster issue a statement saying that he performed "less than a dozen" abortions, mostly in cases of rape, incest or to protect the health of the woman, plays into the hands of abortion foes.

"We should have said all medical procedures he performed were legal and ethical and left it at that," said one official. But White House press secretary Michael McCurry said the Senate wanted to know the details so the administration had no choice but to gather them and make them public.

Yesterday, the National Coalition of Abortion Providers said in a statement that Foster's "equivocation and political cowardice in the face of criticism for doing what is legal . . . is inappropriate." The group called for Foster to step down.

Rep. Louise M. Slaughter (D-N.Y.), one of a group of Democratic members of Congress who called a news conference yesterday to support Foster, said it was "deplorable" that the administration had helped undercut Foster's nomination by getting into a debate over how many and what kind of abortions he performed.

The Clinton administration has a history of troubled nominations, from two failed choices for attorney general to civil rights enforcement chief nominee Lani Guinier, to last year's withdrawn nomination of Bobby Ray Inman to head the Defense Department. Many of the problems of those nominations were laid to incomplete examination of the candidate's background.

Interviews with a number of White House, HHS and congressional officials suggest that Foster's selection, aimed to be noncontroversial after the stormy tenure of his predecessor, Joycelyn Elders, began normally. Officials said Foster was recommended by David Satcher, head of the Center for Communicable Diseases in Atlanta, and received glowing tributes from a variety of health professionals.

HHS officials, who compiled the original list of potential nominees for the White House and sent the list over in January, said the fact he had performed abortions was known but, as LaVelle put it, "It was such a minuscule part of his record."

HHS officials said that the White House did "the serious vetting" and was in charge of any serious examination of Foster's abortion background. "We answered the general question," McCurry said in defense of the operation there, "and now we are answering the specific question" of how many, what kind, under what circumstances abortions were performed.

Administration officials said yesterday that Clinton's top aides did not believe abortion would turn into a big issue because, as one put it, "the guy had a perfect profile, the Republicans don't want a fight now over this, and we were lulled into thinking if we went forward with a perfect person for this post that we would not be caught up in a huge fight."

What was not added to the White House calculation was that even if congressional Republicans did not want a fight, antiabortion groups always do. A congressional Republican said yesterday that the antiabortion and religious conservative groups were "spoiling for a debate, salivating for a debate," but had agreed to forgo one while Republicans worked on their major concern, budget and economic issues in the "Contract With America." The White House, the Republican said, "has given them the fight we did not."

An administration official, only marginally involved in this nomination, called the White House rationale "incomprehensible." He added, "There are certain questions in the current political climate you check 10 times and then 10 times more because of their resonance. The question of whether he performed abortions, under what circumstances, the public record in this area, you check them all so you can make an informed judgment going in. We're saying here that we did not do the proper vetting again."

The first result of incomplete information was to pass it along to Sen. Nancy Landon Kassebaum (R-Kan.), an abortion rights supporter who heads the committee Foster would face first in confirmation. Sources said HHS Secretary Donna E. Shalala, in a phone conversation with Kassebaum, gave the senator what all now say was the wrong information—that Foster had performed only one abortion—at a time the president and his senior aides knew Foster had done more than one abortion.

Kassebaum accused the White House of handing out wrong information and thus turning Foster's nomination into an abortion fight nobody wanted. The White House, she said yesterday, has made the Foster nomination a "litmus test" on abortion. "I am not saying it should be; I'm saying it is," she said.

"Why do they keep going to nominees who have problems?" asked Majority Whip Trent Lott (R-Miss.).

Clinton had hoped this winter to stick to his message of helping the middle class and to avoid fights that were not of his strategic choosing.

White House officials insisted yesterday that Clinton would not withdraw Foster's nomination. "The president does not feel that the number of abortions is a factor," said McCurry, even though it was the administration that first offered that Foster had performed fewer than a dozen abortions.

McCurry yesterday described Clinton as being ready to oppose "those who would suggest that anything Dr. Foster has done, which is certainly legal and certainly within the bounds of medical ethics, ought to be made illegal, and that ultimately is what those fighting this nomination are raising."

Staff writers Helen Dewar and Kevin Merida contributed to this report.

Wash. Times; 2-8-95 p. 1

Foster abortion-pill work puts confirmation in deeper doubt

By Paul Bedard
THE WASHINGTON TIMES

President Clinton's nominee for surgeon general, Dr. Henry W. Foster Jr., tells in a 1985 medical study how he and his research team induced abortions in 55 of 60 patients, further discrediting his claim of performing "fewer than a dozen" abortions and creating new problems for the nomination on Capitol Hill.

House and Senate Republicans, armed with news articles, a scientific study on abortion authored by Dr. Foster and a transcript in which he reports doing "a lot of amniocentesis and therapeutic abortions — probably near 700," said that the doctor's credibility

Statements raise 'character issue'

and truthfulness are now in doubt.

Sen. Connie Mack, Florida Republican, said more troublesome than the abortions Mr. Foster performed is the charge that the former Planned Parenthood board director may have lied about it. "That creates a problem for me because it raises the whole character issue," he said.

"Unless some of these disturbing questions can be answered satisfactorily, his confirmation is in serious jeopardy," said Sen. Dan Coats, Indiana Republican.

"The White House has badly mishandled a nomination in which they should have been sensitive to the issues that would be raised," said Sen. Nancy Landon Kassebaum, Kansas Republican and chairman of the Labor and Human Resources Committee, which will hold hearings next month on Dr. Foster's nomination.

House Democrats and liberal groups, such as the National Abortion and Reproductive Rights Action League and the National Organization for Women, met to map a strategy to save the Foster nomination. A NARAL leader said at a private meeting of activists that actress Barbra Streisand had called Mr. Clinton to express sup-

Cont'd on next page

Wash. Post; 2-8-95

Abortion Foes Find Old Files Useful

Clippings From 1981, Transcripts From 1978 Brandished Against Foster

By John Schwartz
Washington Post Staff Writer

A12

Members of the antiabortion movement tend to have long memories—and excellent filing systems.

That's why, soon after President Clinton announced that he would nominate Nashville gynecologist Henry W. Foster Jr. as his new surgeon general, reporters' fax machines were spewing out 14-year-old clippings from the National Catholic News Service and 17-year-old transcripts from federal ethics advisory panels. The resulting flurry of calls sent government officials and executives of a major drug company scurrying to find documents that none of them seemed to have known existed. The allegations: that despite the administration's statements that Foster had performed fewer than 12 abortions in his career, he had actually been responsible for hundreds more in the course of his biomedical research.

Randy Engel, executive director of a Pittsburgh antiabortion group known as the International Foundation for Genetic Research/Michael Fund, said that as soon as she saw the picture of Foster standing next to Clinton in her local newspaper, she thought that Foster's name was familiar. She turned to a pink, 400-page volume of the 1978 proceedings of a Carter administration panel on biomedical ethics and found pages that she had underlined and starred heavily.

To Engel, one sentence jumped off the pages. According to the transcript, panel member Foster was discussing a proposal from researchers who wanted to test a fetal observation technique, fetoscopy, on pregnant women who were planning to have abortions. He was quoted as saying, "I have done a lot of amniocentesis and therapeutic abortions, probably near 700." Foster has said through White House spokesmen that the quote must be incorrect since it in no way describes his career.

Even if the transcript is correct, it is impossible to tell from the statement how many abortions Foster performed. Amniocentesis is a common test for diagnosing genetic problems in a fetus. In 1978, Foster and other researchers were studying it and other methods in an effort to find an accurate way to diagnose sickle-cell anemia during pregnancy. Elsewhere in the transcript of the meeting, Foster is reported as saying, "The struggle has been to try and be able to diagnose sickle-cell . . . disease at a point at which therapeutic abortion could be offered."

For Engel, the pairing of the words "therapeutic" and "abortion" constituted a red flag, even though the term "therapeutic abortion" is widely used in the medical community to designate an induced abortion. Although genetic diseases such as Tay-Sachs have virtually disappeared in the United States because of the availability of abortion, Engel rejected the idea that the practice could be therapeutic. "It struck me at the time," she recalled: "How could he say that?"

"Curing disease does not mean killing the patient," Engel said. "If killing in general is a form of therapy, then every disease becomes 'curable.' " The group is currently battling the National Institutes of Health over proposed guidelines for federal funding of research on human embryos.

The Foster nomination, intended by the Clinton administration as an olive branch for conservatives who want teenagers to be taught about sexual abstinence, has instead become a blundering run into the decades-old minefield of abortion politics.

Engel also pulled out an April 1981 story from the National Catholic News Service that cited Foster as head of a clinical trial then being conducted at Meharry Medical College of an abortion-inducing drug. The article called the drug, a member of the family of hormones called prostaglandins, which stimulate uterine contractions, "a 'do-it-yourself' abortion drug." It quoted Foster as saying the drug might eventually be obtained by prescription and administered at home.

Yesterday, the National Right to Life Committee was faxing other articles about the Meharry experiments, part of a larger multicenter trial of the drug. "It's revolutionary," the Feb. 5, 1981, Nashville Banner quoted Foster as saying about the experimental treatment.

The packet also included an article in the journal Obstetrics & Gynecology cowritten by Foster on the prostaglandin research. It described a study conducted on 60 women, 55 of whom ended their pregnancies using the drug.

Douglas Johnson, legislative director of the National Right to Life Committee, said, "This is not 'life of the mother,' rape and incest. This is routine abortion."

Officials at Upjohn said that they did not have ready access to information on the drug trial. They said the company never brought the drug to market and abandoned research on abortifacient drugs more than five years ago. It still markets a few prostaglandins already approved for a variety of uses, including abortion. Upjohn spokesman Joe Heywood bristled at the notion that the company would have marketed an at-home abortion kit, saying the drug was "not a 'do-it-yourself.' The right-to-life people said that a lot in those days and it wasn't true."

The growing controversy surrounding the Foster nomination led Louis W. Sullivan, former secretary of the Department of Health and Human Services and a longtime friend of Foster's, to denounce the harsh attack on the proposed nominee. He called the nominations process "barbaric" and "not the sort of thing that any sane person would willingly expose himself to."

Staff researcher Barbara J. Saffir contributed to this report.



Dr. Henry Foster was the study's administrator and "may have administered some of the medication."



AP

Democratic Reps. (from left) Nita Lowey of New York, Barney Frank of Massachusetts and Nancy Pelosi of California go out of their way to support Dr. Henry Foster at a Capitol Hill news conference yesterday.

FOSTER

from previous page

port for Dr. Foster.

Both Republicans and Democrats said the administration's changing stories on the number of abortions performed by Dr. Foster has made the issue key to the debate over his nomination.

Mrs. Kassebaum said there "should not be a litmus-test issue regarding Dr. Foster, but whether the White House or myself or anyone else believes it should be, it is."

In addition to the numbers issue, Senate Republican leaders said the nomination is faltering because of new evidence that Dr. Foster was deeply involved in fetal research.

Among the new developments:

• In the May 1985 issue of Obstetrics & Gynecology, Dr. Foster said a study team he headed worked on a "do-it-yourself" abortion suppository that resulted in terminating the pregnancies of 55 of 60 women tested. In a Feb. 5, 1981, Nashville Banner news story describing the ongoing study, Dr. Foster said the medication had resulted in 75 abortions.

Avis LaVelle, spokeswoman for the Department of Health and Human Services (HHS), which is belatedly looking into Dr. Foster's medical background, explained that Dr. Foster was the study's administrator and didn't actually handle the experiments himself. Victor Zonana, an HHS spokesman, said Dr. Foster "may have administered some of the medication."

• The White House and HHS backtracked from charges that the 1978 transcript statement regarding "probably near 700" amniocentesis and therapeutic abortions was fake.

Amniocentesis involves inserting a hollow needle into the uterus of a pregnant woman and extracting amniotic fluid to check for disease or genetic defects or to determine the sex of the fetus.

The transcript was provided to The Washington Times along with a Federal Register notice for June 18, 1978, noting that Dr. Foster would testify in Seattle at a hearing of the Ethics Advisory Board of the Department of Health, Education and Welfare, the predecessor to HHS.

On Monday, Dr. Foster denied mentioning conducting up to 700 abortions or amniocentesis procedures. The White House suggested yesterday that Dr. Foster wasn't even at the hearing. Spokesman Michael McCurry suggested that the transcript was a fraud.

Late yesterday, Ms. LaVelle conceded that the transcript was real, but she said Dr. Foster was misquoted. "The transcript says what it says," she said. Dr. Foster "can't account for what's in the transcript. It could be an error. . . . The transcript is absolutely wrong."

Eric Ueland, a spokesman for the Republican Policy Committee, said of the transcript: "If it is a forgery, it rivals the Hitler diaries."

• In the transcript, Dr. Foster also discusses testing a fetus before the 13th week for sickle cell anemia. "The struggle has been to try and be able to diagnose sickle cell . . . at a point at which therapeutic abortion could be offered," he said.

• Dr. Foster asked others at the hearing for their views on the possibility of doing "basic research" on fertilized eggs collected for in-vitro fertilization that are not implanted in a woman's womb.

For a second day, Mr. Clinton defended Dr. Foster. Asked about the conflicting numbers of abortions, Mr. Clinton said, "I believe they have been cleared up and I certainly support him."

But Republican congressional leaders weren't accepting the White House or HHS explanations. House Speaker Newt Gingrich, Georgia Republican, said, "The burden of proof has shifted from 'We ought to approve him because he seems like a good guy' to 'He'd better prove the case or he's not going to make it.' "

Rep. John Boehner, Ohio Republican and chairman of the Republican Conference, said: "Mr. President, withdraw your nominee and start anew. The Clinton administration appears to have difficulty telling the whole truth when it comes to its nominees."

Mr. McCurry said an FBI background check has been ordered.

Meanwhile, Republican Senate staff aides are conducting their own investigation into the doctor's medical practice and his management of the financially troubled Meharry Medical College in Nashville, Tenn. He was acting president of the school in 1993 and 1994 and was head of the school's obstetrics and gynecology department from 1973 to 1990, the period during which he conducted the abortion-pill tests.

Liberal House Democrats lined up to slam the White House handling of the nomination and charged that Dr. Foster, who is black, was the victim of a modern-day lynching.

"He's having his character assassinated without a trial," said Rep. Sheila Jackson Lee, Texas Democrat. "This is not the time for a 1995 lynching."

Liberal groups compared the fight for Dr. Foster's confirmation to President Reagan's losing 1987 battle for Supreme Court nominee Robert Bork.

• *Nancy Roman contributed to this report.*

Wash. Times; 2-8-95

Nominee-directed pill study resulted in 59 abortions

HHS denies active role by Foster

By Joyce Price
THE WASHINGTON TIMES

A12

Dr. Henry W. Foster Jr. led a research team that used an experimental drug to induce abortions in 55 of 60 pregnant females, the nominee for surgeon general wrote in a medical journal in 1985.

The researchers performed surgical abortions on four in whom the drug had failed, Dr. Foster wrote in the report, published in Obstetrics & Gynecology. The 60 females ranged in age from 15 to 31.

"Eligible patients included those in good health who were voluntarily seeking pregnancy interruption and were no more than ... eight weeks pregnant," wrote Dr. Foster, who was chairman of the department of obstetrics and gynecology at Meharry Medical College in Nashville, Tenn.

Dr. Foster's biography identifies him as the leader of the research, which the report said was conducted to "evaluate the safety, efficacy and patient acceptability of this mode of noninvasive early abortion."

That and other revelations yesterday turned up the heat and the volume in the debate over the obstetrician-gynecologist's nomination to be surgeon general.

Douglas Johnson, federal legislative director for the National Right to Life Committee, said the medical journal proves Dr. Foster "was directly responsible for at least 59 elective abortions, contrary to his claims last Friday that he was involved in only a dozen abortions and that those were performed either to save the life of the mother or in cases of rape or incest."

But Avis LaVelle, spokeswoman for the Department of Health and Human Services, the agency in which the surgeon general serves, said Dr. Foster was "just an administrator" in the abortion-pill research.

The research trials, conducted in the early 1980s, were financed by the pharmaceutical company Upjohn. Two combinations of the hormone prostaglandin were administered in a vaginal suppository.

Prostaglandin, which triggers labor contractions, is used in conjunction with RU-486, the French abortion pill being tested in this country. Without prostaglandin, RU-486 is far less effective, studies have shown.

An Upjohn spokesman said the drug tested at Meharry was never produced for sale, although the researchers concluded it was safe and effective.

The published research was one of several revelations Dr. Foster's opponents used yesterday as evidence against his nomination.

They noted statements attributed to Dr. Foster in a November 1978 meeting of the Department of Health, Education and Welfare's Ethics Advisory Board, of which he was a member.

According to a transcript of the meeting, Dr. Foster said he had "done a lot of amniocentesis and therapeutic abortions, probably near 700." He has denied making that statement.

The transcript also attributes to Dr. Foster a discussion on fetoscopy — a biopsy of a fetus — and a catheter used in the procedure.

It is "quite acceptable" to leave the catheter in the womb after the fetoscope is removed; "in fact, that is one of the techniques we use for continuous prostaglandin infusion," the transcript quotes him as saying.

Judie Brown, president of the American Life League, said Dr. Foster was discussing a process that kills fetuses.

Also in the transcript, Dr. Foster is quoted as saying: "We do amniocentesis to decide whether or not the pregnancy should continue and to provide a therapeutic abortion. In fact, I know much of that."

He cited research at other institutions to diagnose sickle-cell anemia in fetuses before the 13th week of pregnancy. "The struggle has been to try and be able to diagnose sickle cell ... at a point at which therapeutic abortion could be offered," Dr. Foster said, according to the transcript.

Dr. Foster asked others at the meeting for their views on doing "basic research [on] fertilized eggs" — human embryos collected for in-vitro fertilization.

The Rev. Richard McCormick, who was professor of Christian ethics at the Kennedy Institute for the Study of Reproduction and Bioethics, made it clear at the meeting he believed such research would be inappropriate.

Mrs. Brown called Dr. Foster "your worst nightmare come true ... a ghoul." She added that "all hell is going to break loose" if the administration proceeds with the nomination.

• *Paul Bedard contributed to this report.*

L.A. Times; 2-8-95 p. 1

Foster Case Tests Credibility of White House

By PAUL RICHTER
and EDWIN CHEN
TIMES STAFF WRITERS

WASHINGTON—The White House on Tuesday broadened its investigation into the abortion record of Surgeon General-nominee Dr. Henry Foster Jr. as rising criticism from Congress began to transform the issue into a question of Clinton Administration credibility and competence.

Stung by criticism that his White House initially gave Congress faulty information on Foster's abortion history, President Clinton vowed that he would stand by him in the face of opponents' claims that he had ended hundreds of pregnancies. Foster maintains that in private practice he has conducted no more than 12 abortions, most to safeguard the health of mothers.

But in the newest sign of their lack of confidence in their President, many House and Senate Democrats assailed White House handling of the nomination and voiced fears that Clinton would abandon in haste yet another controversial nominee.

In a sarcastic jab at her frequent ally, Rep. Patricia Schroeder (D-Colo.), said that she and fellow Democrats were sending Clinton bottles of spray starch in hopes of

Cont'd on next page

THE GREEN SHEET

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strengthening his resolve.

Rep. Louise M. Slaughter (D-N.Y.) called it "deplorable" that Clinton would allow the issue of abortion to intrude by answering questions about the number of procedures the Tennessee obstetrician-gynecologist had undertaken.

The National Right to Life Committee charged Tuesday that Foster had headed a study in the early 1980s that gave at least 59 women an experimental drug to enable them to induce their own abortions. Administration officials sought to downplay that study, saying that it was old news and had been disclosed by Foster.

In a dangerous sign for the nomination, Sen. Nancy Landon Kassebaum (R-Kan.), who chairs the Senate Labor and Human Resources Committee, said that—because FBI background checks on Foster are only beginning—confirmation hearings are not likely to begin until mid-March. That delay is likely to give opponents ample time to organize opposition.

The nomination already is proving embarrassing to the President because of what it suggests about flaws in White House management—flaws that Clinton and aides have labored long and visibly to correct.

In failing to pin down the abortion record of an obstetrician-gynecologist, the White House seemed to show that its political antennae are hardly keener now than they were in Clinton's first year when he backed away from a series of Justice Department nominees—including Zoe Baird, Judge Kimba M. Wood and C. Lani Guinier—whose views or actions made them too hot to handle.

It appeared that the fundamental White House miscalculation was its belief that, given the divisions in the Republican Party over abortion, Republicans would not focus on Foster's involvement in abortion and instead would look at the appealing aspects of Foster's record in fighting teen-age pregnancy and in leading Meharry Medical College in Nashville.



Associated Press

Rep. Nita M. Lowey (D-N.Y.), left, Rep. Barney Frank (D-Mass.) and Rep. Nancy Pelosi (D-Calif.) discuss Capitol Hill's support for Surgeon General-nominee Dr. Henry Foster Jr.

Administration officials believed that Republican attacks on Foster would "create a huge chasm," one senior Administration official said. He also said that Foster was not to blame when the White House erroneously told Kassebaum that Foster had conducted only one abortion, and it was for "therapeutic" reasons.

"He never lied to us," the official said. "He hid nothing from us."

Much about the nomination and Foster's background remained unclear Tuesday.

White House Press Secretary Mike McCurry said that, while a large group of aides is now immersed in an "exhaustive and complete analysis" of Foster's record in preparation for nomination hearings, the White House still is unclear about the 1978 transcript that abortion foes claimed showed that Foster had conducted 700 abortions.

The transcript, purportedly from a hearing of the Ethics Advisory Board of the former Department of Health, Education and Welfare, identifies a "Dr. Foster" as saying "I have done a lot of amniocentesis and abortions, probably around 700." McCurry said that Foster acknowledged attending the hearing but said that he had made it very clear that the statement did not accurately reflect his record.

Clinton, asked Tuesday about the transcript, said that he believes questions about Foster "have been cleared up and I certainly support him."

One sign of the White House concern was the decision to put Erskine Bowles, deputy chief of staff, in charge of determining the facts. Bowles is overseeing a crisis-management team that has sent some aides to Tennessee to pin down facts that Foster has said he only vaguely remembers.

The team, which also includes officials of the Department of Health and Human Services, interviewed Foster at the White House on Monday evening.

Officials said that, while the White House took charge of Foster's prenomination background check, it asked only generally about abortion—though specifics were likely to come up in the debate over his nomination, given the superheated controversy surrounding the issue.

Echoing a widely expressed sentiment among Democrats, Sen. Patrick J. Leahy (D-Vt.) said Tuesday that he faulted the White House for not having laid out all the potentially damaging information to members.

In the House, about 20 Democrats called a news conference to back Foster and to urge Clinton to stand by the nominee.

Rep. Nita M. Lowey (D-N.Y.) declared: "Frankly, the number of abortions that Dr. Foster performed is irrelevant," Lowey said.

The nomination has put Democrats in a painful situation. They will take political heat if they support a nominee who is later withdrawn. Yet they also would be uncomfortable backing away from a nominee that they and many staunch supporters would back strongly.

Privately, many congressional Democrats were in agreement with Sen. Trent Lott of Mississippi, the Republican whip, who fumed: "Why do they keep going to these nominees that have these problems? They're either not checking them out closely enough or they're thinking they can slip them through or something."

Predicting that the nomination is in serious difficulty, Lott acknowledged that the Administration's actions had "caused problems for us too," because the GOP would prefer to focus on such issues as the line-item veto and the balanced-budget amendment.

Kassebaum said the White House had "badly mishandled" the nomination, and lamented that Foster had been put on the spot when views on abortion should not be the sole test of a prospective surgeon general's fitness.

One Democrat close to the White House said that the "real pity" of the controversy is that, if the Administration had handled the issue better, anti-abortion opposition to Foster could have turned into a political plus for the President. "Most people are with him on this," said the Democrat. "He could have demonstrated his resolve."

The withdrawal of Foster's nomination also would be embarrassing for the White House because of its eagerness to place more blacks in top Administration positions. The White House has come under criticism for the dwindling number of blacks in its senior ranks.

And this is a particularly inopportune moment, since the White House's political apparatus recently has focused on rallying the Democratic base that will be so essential to the President's reelection effort.

In their latest round of charges, the National Right to Life Comittee and the American Life League said that Foster headed the early 1980s abortion study while he was chairman of the Obstetrics and Gynecology Department at Meharry. Women, up to eight weeks pregnant, were given the experimental drug prostaglandin in vaginal suppositories.

McCurry said that the test was an FDA-approved clinical trial.

USA Today; 2-8-95

Furor grows over pick for medical post

Surgeon general nominee comes under new criticism

By Mimi Hall
USA TODAY 3A



USA TODAY

> "Some senators feel like they were ... misled."
>
> — Sen. Trent Lott, Republican Whip

The White House said Tuesday it was doing an "exhaustive" background check on its surgeon general nominee as criticism of Henry Foster grew on and off Capitol Hill.

The newest controversy: the disclosure that he ran a medical school experiment with an abortion drug.

That news came a day after abortion opponents circulated a document that seemed to show he'd performed many more abortions than the "fewer than a dozen" he'd told the White House.

To abortion opponents and their allies in Congress, Foster's involvement in performing or supervising abortions is enough to disqualify him.

To others, honesty has become the issue. They question whether Foster and the White House have been forthright.

"He's got to get out and be candid and tell the truth," said Sen. Orrin Hatch, R-Utah, who opposes abortion but said he is keeping an "open mind" about Foster. "I think he needs to clarify the issue." Foster has been unavailable to the press.

President Clinton said he stands by Foster and dismissed questions about the Nashville obstetrician-gynecologist's abortion record.

"I believe they have been cleared up, and I certainly support him," Clinton said.

A renowned physician whose program to combat teen pregnancy was chosen in 1991 as one of President Bush's "Thousand Points of Light," Foster, 61, is best-known for his work on infant mortality, teen pregnancy and drug abuse.

"He has an outstanding reputation as a physician and an OB/GYN in his field," said Louis Sullivan, secretary of the Department of Health and Human Services under Bush.

But abortion opponents, hoping to derail the nomination, cited evidence that Foster has done many more abortions in his 38-year career than he initially disclosed.

Tuesday, the National Right to Life Committee released additional pages of testimony it says Foster gave in 1978 as a member of the Department of Health, Education and Welfare's Ethics Advisory Board.

In a discussion about fetal research and amniocentesis — a genetic test done during pregnancy — Foster tells the panel, "I have performed many amniocentesis and therapeutic abortions, probably near 700."

Clinton administration officials said Foster denies making the statement and that the transcript contains a mistake, perhaps by the transcriber.

"This is clearly an error," said Health and Human Services department spokeswoman Avis LaVelle. She said he has not done "anywhere near that number" of amniocentesis tests or abortions.

Adding to the firestorm: a medical journal article written by Foster, and released Tuesday by abortion opponents, reporting on a study of a suppository used to induce abortion.

He was in charge of that 1981 study as head of obstetrics and gynecology at Meharry Medical College.

The suppositories used in the Food and Drug Administration-approved study contained the hormone prostaglandin, used to stimulate uterine contractions, and were given to at least 60 pregnant women.

The suppositories were never marketed, but at the time of the study, Foster was quoted in the *Nashville Banner* as saying they were "revolutionary."

LaVelle said it is unclear whether Foster administered any of the suppositories.

She said HHS officials are researching Foster's record to determine exactly how many abortions he performed.

Still, the abortion scrutiny "shouldn't be necessary," LaVelle said. "You look at the body of his work, and this is not what Dr. Foster is about. But even if it were, this is a legal practice in this country."

On Capitol Hill, where Foster will need to be confirmed by the Senate, some senators complained they weren't told the whole story of Foster's background earlier.

"Some senators feel like they were misled," said GOP Whip Trent Lott of Mississippi.

Sen. Nancy Kassebaum, R-Kan., whose subcommittee will hold nomination hearings, said the White House should have been "more sensitive."

At first, officials told her Foster had performed only one abortion. When that was revised to about a dozen, the White House said it was a staffer's mistake.

Kassebaum, who supports abortion rights, said she'll withhold judgment on Foster. But she called the latest revelations part of "a controversy that is not going to go away."

And abortion opponents promised to fight to the end.

"The picture that the White House painted on the first day of Dr. Chastity is unraveling," said Right to Life's Douglas Johnson. "Dr. Foster is more like Dr. Abortion."

Planned Parenthood said 100 volunteers from 32 states would lobby senators on Foster's behalf today.

Supporters said they were stunned abortion had become the focus of Foster's record.

"Here's a man who has delivered thousands of babies, counseled thousands of teenagers, and he could be blocked for doing something that's legal in all 50 states," said Sen. Patrick Leahy, D-Vt. "It's Alice in Wonderland."

Conservatives also have complained that the "I Have a Future" teen pregnancy prevention program, which Foster started, distributes condoms. Doctors familiar with the program say its main emphasis is on abstinence and self-esteem.

"I never heard anybody say that Dr. Foster was an abortion physician — he was not known for that," said David Satcher, director of the Centers for Disease Control and Prevention in Atlanta and former president of Meharry Medical College. "He was known for trying to help teen-agers deal with their sexuality in a positive way."

Paul Batalden, assistant surgeon general under Nixon and Ford, said Foster is known as a "very conservative fellow."

He added, "He's a person who, I think, would serve the public interest very well."

Contributing: Judi Hasson, Judy Keen, William M. Welch



By Joe Marquette, AP

SHOW OF SUPPORT: Reps. Nita Lowey, left, D-N.Y.; Barney Frank, D-Mass.; and Nancy Pelosi, D-Calif., hold a Capitol Hill news conference in support of surgeon general nominee Henry Foster.



By Tim Dillon, USA TODAY

QUESTIONS 'CLEARED UP': President Clinton says he stands by his choice for surgeon general, Henry Foster.

Balt. Sun; 2-8-95

Clinton's 'weasel' words don't exactly help Foster

2A



ROGER
SIMON

WASHINGTON — Dr. Henry Foster's nomination as U.S. surgeon general is in trouble at the White House because he did something legal that Bill Clinton supports.

Which can be very dangerous these days.

It used to be that it took an illegal act to knock you off as a Clinton nominee.

Kimba Wood and Zoe Baird got shot down for attorney general because they didn't pay their taxes or hired illegal aliens.

And Lani Guinier lost out as assistant attorney general for civil rights when Clinton discovered he disagreed with her views. Which was the same problem the last surgeon general, Joycelyn Elders, ran into.

But Foster is different. An obstetrician/gynecologist, he has performed abortions. Legal abortions.

And Bill Clinton has said he supports the right of a woman to choose an abortion.

So what's the problem? There are about 1.5 million legal abortions performed each year in America and somebody has got to be doing them.

But the White House is now saying that Clinton thought Foster had performed only a single abortion in his career. Foster says he has performed fewer than a dozen.

Who cares? Well, according to some strange new math, "fewer than a dozen" is the limit of what Bill Clinton will stomach. More than that and Foster is in trouble with him.

For the moment, Clinton is still backing Foster. But not very strongly. Try counting how many "weasel" words are hidden in Bill Clinton's ringing support for his nominee. Heck, I'll make it easy for you. I'll put them in italics.

"*If* he has done what he has *said* he has done, I don't *think* that would disqualify him," Clinton said of Foster on Monday. "We're going to have hearings. It's going to go forward. *If* the facts are no different than I *understand* them to be, I don't *understand* why he'd be in trouble."

And, gee, I just don't *understand* why some people *think* that you can't *trust* Bill Clinton.

Once upon a time, way back in the spring of 1992 before he was elected, Clinton said he was going to name only those people to the Supreme Court who supported a woman's right to choose. He said this would be a litmus test.

Then, after he got elected, he changed his mind.

At his first formal press conference, President Clinton was asked if the litmus test was still on.

"I will not ask any potential Supreme Court nominees how he or she would vote in any particular case," he said. "I will not do that."

And now we learn that Clinton has "devolved" even further.

He may dump his nominee for surgeon general if it turns out the nominee performed too many (i.e., a dozen or more) legal abortions.

Who is Henry Foster? Who is this "abortionist"?

He is a 61-year-old former dean and acting president of a black medical school who founded the "I Have a Future Program," which is "aimed at delaying sexual activity and raising self-respect among teen-agers."

The program was even was one of George Bush's "Points of Light."

Foster supports condom distribution (and condoms prevent pregnancies that can lead to abortions, don't they?), but says: "In my work with teen-agers, abstinence has always been stressed as my first priority."

If a woman chooses to have an abortion, he says, "My wish is that it be safe, legal and rare."

And Clinton should have stepped forward immediately and said: "Abortion is legal in this country. I have always supported a woman's right to choose a legal abortion. And therefore I give my unqualified support to Dr. Foster with no ifs, ands or buts."

Instead, we get Clinton's lukewarm support on one hand and blasts of hot air from the right on the other.

"It doesn't matter if he killed 12 babies or 1,200 — Foster was still a paid killer who should not even be considered for the post as chief medic," said Don Treshman of Rescue America.

But Treshman is wrong. Foster is not a killer, paid or otherwise.

The people who shoot doctors at abortion clinics are killers.

Besides, in reading interviews with Foster, one gets the clear impression that he is proudest of having performed a much different kind of medical procedure.

"I have personally delivered more than 10,000 babies in nearly 30 years of practice," Foster said.

And I don't see how you can get more pro-life than that.

Wash. Times; 2-8-95.

National survey uncovers 30 keys to teens' futures

Role models, values vital for success

By Cheryl Wetzstein
THE WASHINGTON TIMES

Teen-agers need 30 "assets" in their lives to reach successful adulthood, says a new book based on a study of 273,000 youths.

"Kids need to develop an internal gyroscope" so they feel "centered and focused," says Peter L. Benson, co-author of "What Kids Need to Succeed: Proven, Practical Ways to Raise Good Kids."

"Some parents don't have open lines of communication with their kids, but they shouldn't give up," says longtime educator Judy Galbraith, who wrote the book with Mr. Benson. "Kids want someone to talk to."

The authors say children must have:

- Adult role models who set good examples.
- A healthy community in which good values are practiced.
- A life that includes study and learning.
- Healthy relationships.
- Service to others.

Teens especially need adults who care about them, says Mr. Benson, president of Search Institute, a Minneapolis organization that conducts research on children and teen issues.

"It may be more important to say 'I love you' to a 16-year-old than to a 3-year-old," he says.

The 30 assets listed in the book are based on the answers 273,000 sixth- through 12th-graders gave to a 152-question survey developed by Search Institute from 1989 to the early 1990s.

Teens from 600 communities in 33 states answered the survey.

Mr. Benson; Ms. Galbraith, founder of Minneapolis' Free Spirit Publishing, which published the book; and Free Spirit editor Pamela Espeland examined the answers and identified the 30 characteristics that accompanied teens with the healthiest lifestyles.

"The assets are fairly obvious, but they're backed up by really substantial research," Ms. Galbraith says.

Teens who had 20 or more of these 30 assets were less likely to have problems with drinking, antisocial behavior, school failure, sexual activity and depression. Teens with 10 or fewer assets often struggled in these areas, the authors found.

> *"Kids need to develop an internal gyroscope" so they feel "centered and focused."*
>
> *— Peter L. Benson*

Teens who said they had at least 26 of the assets were successful in school and avoided destructive behavior.

The teens' averaged 16.4 assets, "which is a start, but not enough," Mr. Benson says.

The power of the 30 assets is that they work together to build character, he says.

It's not enough to say that if you give teens a few assets you can "inoculate" them, he says. "If you're weak in any one of these areas, it interferes" with a healthy lifestyle.

"What Kids Need to Succeed" can serve as a practical guide, listing the assets and offering advice to parents, social groups and congregations on building family-friendly environments for youths, the authors say.

"It's something that people can grab on to," Ms. Galbraith says.

Mr. Benson says that in the past when he tried to talk about these values, audiences tended to tune out the message. "Now there's a comfort level about talking about values," he says.

"The days of big government are gone. Americans have a latent ability to care. It's underground. We need to mobilize and help care for others, and everyone cares about children and teen-agers."

GOOD KID TOOLS

Teens need the following 30 "assets" in their lives to succeed, according to a book based on a Search Institute study of more than 270,000 students in grades six through 12.

External assets kids need:	Internal assets kids need:
1. Warm, caring family home.	17. Desire to achieve.
2. Approachable parents.	18. Desire to advance educationally.
3. Communicative parents.	19. Desire for above average grades.
4. Other approachable adults.	20. Self-discipline to do 6-plus hours of homework a week.
5. Other communicative adults.	21. Desire to help people.
6. Parental involvement in school.	22. Global concern.
7. Positive school climate.	23. Empathy.
8. Parental standards.	24. Sexual restraint.
9. Parental discipline.	25. Assertiveness skills.
10. Parental monitoring.	26. Decision-making skills.
11. Limits on away-from-home socializing.	27. Friendship-making skills.
12. Positive peer influences.	28. Planning skills.
13. Music lessons.	29. Self-esteem.
14. Organized extracurricular activities.	30. Hope.
15. Community activities.	
16. Involvement with a faith community.	

How many assets do most teens have?

The Search Institute found that teens on average had 16 of the 30 assets. Teens should have a minimum of 25 assets, researchers say.

Grade	Average number of assets
6	17.8
7	17.1
8	16.6
9	16.1
10	16.0
11	15.9
12	16.0

How do assets make a difference?

Teens with the most "assets" seldom engage in risky behaviors.

	Number of assets involved in:				
	Alcohol use	Sexual activity	School failure	Depression and suicide	Antisocial behavior and violence
0-10	44%	52%	31%	42%	51%
11-20	23%	34%	13%	25%	29%
21-25	9%	17%	4%	11%	13%
26-30	3%	7%	1%	5%	6%

Source: "What Kids Need to Succeed: Proven, Practical Ways to Raise Good Kids," by Peter L. Benson, Judy Galbraith and Pamela Espeland

The Washington Times

WELFARE, from p. 1

less, a senior fellow at the Brookings Institution, added that "although it can be done" over time, "the evidence from the 1970s when lots of young men and women from the baby boom came of working age is that unemployment rates go up, it takes longer to find jobs and wages of entrants go down."

Making the prospects even bleaker, Mr. Burtless added, is that "the education level of the welfare moms is limited." More than half, he figures, were in the lowest quarter of their classes while in school and only about half finished high school.

Testimony before legislators last month also showed how, over time, block grants cause sharp cutbacks in funding. Food assistance would have declined 29%, or $10 billion, last year if the formula had started at a hypothetical 10% cut in 1989, noted Robert Greenstein of the Center on Budget and Policy Priorities. The bipartisan center is an advocacy group for the poor. A food stamp block grant to states would only rise with inflation and population growth.

According to Mr. Greenstein, between June 1990 and June 1992, when the economy was in a slump, five million more people received food stamps. Ending entitlements for food stamps and Aid For Dependent Children is "likely to make recessions somewhat deeper and more protracted," Mr. Greenstein predicted.

And even if there is no recession and the economy grows as the government predicts between now and 1999, he said states would lose $7.8 billion in food stamp funds, spread disproportionately among states growing richer or poorer.

The problem with keeping the entitlement program, said Rep. E. Clay Shaw (R., Fla.), is that it is not consistent with reaching a balanced budget. "We are exploring what to do, such as an emergency fund," said Rep. Shaw, who is chairman of the subcommittee on human resources drafting the legislation.

But critics say that such approaches would kick in too late for many of the low-wage workers who often are the first to be let go in a downturn. The fact is, said Mr. Stein, "you can't get savings in the short run without doing a lot of damage and missing a lot of opportunities."

Mr. Greenstein noted in his testimony that according to the Bipartisan Commission on Entitlements all of the welfare programs except Medicaid will begin to decline as a percentage of gross domestic product after the year 2000. But by 2030, Social Security will rise from 4.8% to 6.7% of GDP and Medicare will jump from 2.4% to 7.9%. "Expenditures on programs like AFDC and food stamps are not driving the long-term rise in entitlement spending that will bedevil the nation in the decades ahead," he said.

Mr. Greenstein's solution to the need for welfare reform is to give the states more flexibility in designing and determining who is eligible under an entitlement structure. Mr. Haveman, who is against the block grant approach and dubs President Clinton's plan "dangerous territory," has a different set of solutions. He would like to see tax subsidies given to businesses to hire low-skill workers and/or additional wage subsidies for workers themselves if other benefits are dropped.

Mr. Stein doesn't have any easy answers, either. But he believes the effort to turn welfare recipients into productive workers "has to be done on a larger scale and started at a younger age." By the time training is given "to a high school dropout with two children, it's very hard to make a productive worker out of her."

Chgo. Trib.; 2-3-95 p. 1

State GOP goes after welfare

Big cuts would need federal OK

By William Presecky and Suzy Frisch
TRIBUNE STAFF WRITERS

SPRINGFIELD—Promising to "end welfare as we know it," Republicans in the General Assembly advanced measures Thursday that would limit a system that they said has produced generations of dependence, failed to encourage self-sufficiency, and fostered public mistrust.

GOP lawmakers, who control the legislature, said they were delivering on a voter mandate by pushing to limit benefits to welfare mothers who have more children, cut off checks to able-bodied parents on welfare who don't work, and force the state to devise an alternative to Aid to Families with Dependent Children—on which 730,000 Illinoisans rely for income.

But while Republican Gov. Jim Edgar said he would make the ideas law if they get to his desk, the changes still must win approval from the federal government.

States must follow rules and abide by minimum standards if they accept federal money for welfare programs such as AFDC, in which half the funds come from Washington.

Though other states have obtained permission to significantly alter their welfare programs, the federal government recently has raised serious questions about Illinois' attempt to radically change the way it provides health care to the poor through Medicaid.

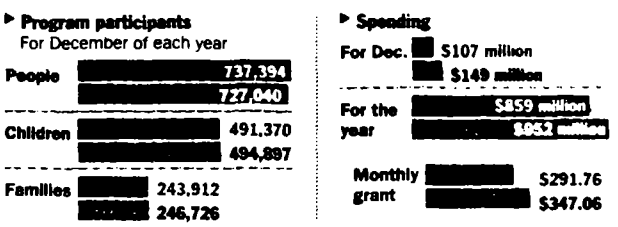
Nonetheless, Republicans predicted their plans would move through the General Assembly and win federal approval, especially given desires of the new

SEE WELFARE, PAGE 6

AFDC's scope in Illinois

If the legislature succeeds in ending the Aid to Families with Dependent Children program, nearly 500,000 children and 250,000 families will be without the financial support the agency provides. The program is funded equally by the state and federal government.

Source: Illinois Department of Public Aid
Chicago Tribune



Welfare

CONTINUED FROM PAGE 1

Congress to allow states more flexibility in administering welfare.

Just as Republicans who control Congress have talked tough about welfare reform, lawmakers in Springfield maintain that voters are fed up with the status quo and want to end to what they consider the failed programs of the 1960s Great Society.

"If there's any message out of this election, it was that this 30-year experiment in public welfare has not worked—fix it. I think everybody got that message," said GOP Senate President James "Pate" Philip of Wood Dale.

"People don't mind helping people help themselves, but they want reform. They think there's a lot of cheating going on. They think there are a lot of people on welfare who shouldn't be on welfare."

But opponents charged that, at best, the Republican changes are too punitive and moving too quickly without a clear picture of the costs or the savings.

"My fear is that the action they are taking is the wrong type of action," said William McNary, lobbyist for Illinois Public Action, a self-styled consumer group. "I don't think that when people voted for Republicans for welfare reform ... that they voted for homelessness or they voted for more crime or voted for more despair. They voted for hope."

Nonetheless, it seems apparent that the legislature will make some sort of dramatic change, even as the ground rules for welfare and other programs overseen by the federal government are in flux.

Perhaps the best evidence that welfare changes are inevitable came Tuesday when House Democrats sought to make a pre-emptive strike by proposing a phased-in plan that included putting a two-year limit on AFDC benefits for able-bodied parents.

The Republican proposal, put before the legislature Wednesday by the Senate Public Health and Welfare Committee and the House Executive Committee, would go substantially further. It would:

- Abolish AFDC on Jan. 1, 1999, forcing the state to come up with an alternative.
- Require teen mothers to stay in school and live at home in order to keep their full benefits.
- Ban extra cash grants for mothers who have additional children while on welfare.
- Mandate that children of welfare parents attend school or risk losing a portion of the family's benefits.
- Shut off benefits for most recipients with children age 13 and older who do not find work in two years.
- Limit a family's cash benefits to six months unless a child's paternity is established.

The first year of the proposed changes would neither cost nor save the state any more, said Robert Wright, director of the Illinois Department of Public Aid, which administers welfare programs.

But Wright declined to offer any financial details of the package, saying Edgar would provide them in his budget message next month.

Wright's support was an about-face from attempts by Republicans to limit welfare. His agency had opposed similar proposals, and the provision to ban additional payments to welfare mothers who have more children was not included in Edgar's State of the State speech last month.

But Thursday, the governor hailed the action of the two committees and said he was "confident this bill will be sent to my desk quickly so we can accelerate our efforts to end welfare as we know it in Illinois."

A mother with one child in Cook County receives a monthly AFDC cash grant of $278. That rises to $377 for two children, $414 for three children, and $485 for four children.

Republicans conceded that AFDC spending makes up only $952 million, or about 13 percent, of the Department of Public Aid's $7.4 billion budget. The major concern remains skyrocketing Medicaid costs.

But the GOP maintained that it was fulfilling a public desire to see the system changed without being punitive.

"This bill is about basic responsibility for your actions," said Rep. Ronald Stephens (R-Troy), who chairs the House Executive Committee. He said allegations that the plan would throw children out on the streets makes "a great sound bite for [opponents], but it's absolutely ridiculous."

Stephens and his GOP colleagues rejected an attempt to amend the package to include the Democrats' phased-in proposal.

Republicans also rebuffed Democratic efforts to amend another GOP bill that would let local school districts seek waivers from state-mandated educational programs.

A Senate panel, meanwhile, advanced a new version of a plan expanding collar-county-style property-tax caps to Cook County. The measure is similar to a House-passed bill that lets tax collections grow by 5 percent this year but limits them to 5 percent or the inflation rate in future years.

More important, the Senate version does not contain a provision in the House bill that would effectively nullify bond sales after Jan. 1. That provision would jeopardize a $70 million Chicago Park District bond issue and thousands of dollars in other bond proposals throughout the county. The Senate GOP plan would affect bonds only after the date the bill becomes law.

L.A. Times; 2-5-95

Eloise Anderson

On Bridging the Gap Between Welfare and Work

BY GAYLE POLLARD TERRY

Welfare reform is again a hot topic in Washington. House Republicans are hoping to vote on the issue in the next month or two, making good on their promise in the "contract with America" to bring welfare reform to the floor within the first 100 days of the 104th Congress.

Unlike the debate led last year by President Bill Clinton, who promised during his campaign to "end welfare as we know it" but could not get anything passed on the Hill, the GOP approach is more stick than carrot. Their "Personal Responsibility Act" would impose a "two-year-and-out" time limit, reward work, discourage illegitimacy and teen pregnancy by denying welfare checks to mothers younger than 18; it would also prohibit any increase in benefits to welfare mothers who gave birth to additional children. The bill has no provisions for education, job training, public-service jobs or any other supports that Democrats believe help build the bridge from welfare to work.

Gov. Pete Wilson endorses much of this approach. So does the director of California Department of Social Services, Eloise Anderson. Unlike most of the participants in this debate, Anderson is black and a woman. She's also not afraid to speak her mind. She testified recently before the House subcommittee taking the lead on welfare reform.

Work and welfare have been on her mind for nearly 30 years. In 1966, she ran a voluntary program that tried to place recipients in jobs in Milwaukee. It worked.

A sociologist and anthropologist by training, Anderson got another opportunity to put her ideas into practice when Wisconsin Gov. Tommy G. Thompson appointed her in 1988 to head the Wisconsin Division of Community Services, which oversees welfare and a dozen other services.

Anderson moved west in August, 1992, to work for Wilson. Divorced and remarried, she is the mother of an adult son, who is a graphics artist, and an adult daughter, who is a 911 dispatcher.

Being poor isn't a sin, according to Eloise Anderson. She grew up poor. But she believes staying on welfare is a crime.

• • •

Question: *Why should government provide welfare?*

Answer: There ought to be a safety net. But we . . . ought to develop a safety system so that when people are unemployed—and that happens to a lot of us now and then—there's some place they can go temporarily until they find another job. But it [welfare] shouldn't be viewed as a lifestyle. It shouldn't be viewed as that's something I'm going to do until the kid is 18. It shouldn't be viewed as that's my income. . . . It's got to be temporary. And the question is how temporary.

Q: *How temporary would the Wilson Administration make welfare?*

A: The governor's talking about two years with incremental reductions . . . so they're always keeping their eye on the fact that they've got to get out of here as adults. . . . Unemployment only gives you 26 weeks. Should welfare look more like that? Should it be longer? Should it be shorter? I don't know what the right number is. . . . Maybe it should be one year for everybody, then the parent is off and just the kids [remain on].

Q: *Explain how that would work.*

A: At six months, you get a cut [in money]. And at 18 months, the adult comes off the grant. . . . That says to that person who's on AFDC [Aid to Families with Dependent Children]: Remember, this is temporary. . . . We're cutting your grant and we're doing it at six months, because when you came here, we thought it was a crisis. At six months, you ought to have your crisis worked out. You ought to be back into the work force, looking for jobs. Maybe you don't have a full-time job yet. Maybe you only have a part-time job . . . Eighteen months later, you should be back full-fledged in the work force.

One of the reasons we look at six and 18 months is because a whole lot of the women in our program come from domestic-violence situations. It takes a while to rethink your life when you're coming out of domestic violence. Six months gives them ample time, especially if they've never worked, if they're fearful, to work out their relationship with that man in a way they feel safe. . . . Once they feel stable, and that's about where it shows up in shelters, once they feel somewhat safe, then the 18 months is a good figure. That's where we are now . . .

Q: *Are the cuts punitive?*

A: No.

Q: *Why not?*

A: This is one of our principles. We don't want welfare to pay more than work. You have people in this program who have low skills. Some have no skills. If you look at the jobs they can take, welfare can't be more lucrative . . .

We don't want welfare to contribute to family breakup, and the men [partners of welfare mothers] have the same kind of skill base, which means they're low-skilled, low-wage workers—we don't want welfare to be more attractive than they are. So you've got to bring your welfare grant and your welfare benefit package down to the level where a low-income wage and a low-income male worker looks attractive versus AFDC.

Q: *Would cutting the welfare grant encourage more marriages?*

A: It would encourage more men to step up to their responsibility, because they actually have something to bring. We've told them [men] as long as the Western world has been in existence that their worth is in the check they bring home. We didn't say that their worth is in being there, which it is. . . . Now, I'm not saying people will get married, but I am saying the money they can put on the table becomes much more attractive.

Q: *The stereotype of the partner of a young welfare mother is a young, single man, irresponsible, perhaps 16 or 17, high-school dropout. How would reducing the grant make this person attractive?*

A: The partner to the teen mom is not a teen. . . . We forget that women mate upward in age. Men mate downward in age—and they do it significantly. So you will find when you look at the data around teen parenting that the vast majority of the fathers are not teen-agers. In fact, they're between 22 and 26 and, on average, pretty close to 25 years of age.

Q: *Even when the mother is 14 or 15?*

A: We have some data that suggest some fathers are in their 30s, with girls who are in their early teens.

Q: *Isn't that against the law?*

A: Sure. But we don't enforce that. If these were boys in sexual liaisons with men of the same age . . . we would have every man in jail. What is so different about a girl being exposed to men whom they're not capable of having an equal relationship with? These girls are vulnerable.

Q: *The Wilson Administration would require these young mothers to live with their own mothers?*

A: If you have a child under the age of 18, we believe that child ought to be supervised . . . hopefully at home with her parents, and if not, either in some kind of group setting or a family setting that would help her finish developing.

If you start looking at moms [who came] on AFDC as teen moms, who are out on their own, and you look at them 15 years later, they have three and four kids. This is where our larger number of single moms on our caseload are. These are the moms who have lots of kids. . . . Their development has been delayed. . . . All of a sudden, you have a kid to take care of. All of a sudden, you're out there in the world. All of a sudden, you've got all these guys preying on you. You don't have the capability to handle that . . . What happens? The young baby whom we say we're protecting is unprotected.

Q: *How would you discourage young teen-agers from becoming mothers?*

A: One of the reasons we're doing the Fathers Summit [announced in Wilson's State of the State Address and still to be scheduled] is because we always talk about teen-age pregnancy as if there weren't any men around. . . . We have to

Cont'd on next page

Gayle Pollard Terry is an editorial writer for The Times.

> We have to stop putting our children's fathers down. . . . What are you telling this kid when you say that part of him is not worth anything?

> But it [welfare] shouldn't be viewed as a lifestyle. It shouldn't be viewed as that's my income. It's got to be temporary. And the question is, how temporary?

> You've got to bring your welfare grant and your welfare benefit package down to the level where a low-income wage. . . looks attractive versus AFDC.

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start paying attention to the male side of this. . . .

We [also] have to start saying to the girls that there are some other ways for you to get attention. . . . We need to start talking to girls about the consequences of early birth without education; the consequences of children when she hasn't finished growing up; the possibilities for her materially, spiritually, and emotionally and physically if she extends parenthood. . . . We ought to go in and start talking to her mother, because in that household, there is usually a boy as well. . . . The next question is: Where's dad? Let's bring dad into this. He doesn't have to live with you. He doesn't have to be a part of the family, but he has to be a part of his children's lives.

Q: *How does government discourage single motherhood in a society that glorifies Murphy Brown?*

A: That's a hard one. . . . The outcomes of glorifying conditions where fathers aren't involved with their children, where healthy marriages aren't the centerpiece . . . is absolutely disastrous for the children. . .

Marriage is not an institution for adults. It's an institution for children. . . . Adults can get divorced 20 times, it makes no difference to them. One divorce for a child is harmful. It hurts.

I can say that. I've been divorced. My children have done very well, but they would have done so much better if their father and I had stayed together. . . .

My son was in his early teens and he was angry with his dad. I heard him grousing in his bedroom, and I walked in and said, "Let me tell you something, boy, I don't sleep with dogs. . . . So that means your daddy wasn't a dog. . . . Because he and I did not get along does not mean that he's a dog."

We have to stop putting our children's fathers down because our sons wind up being their dads. So, if you say that man is no good . . . and you've got a son, and you say to this son you act just like your dad, what are you telling this boy? What are you telling this kid when you say that part of him is not worth anything?

Q: *Nearly 70% of black children are born to single mothers. Why?*

A: We're still paying the cost of slavery and Jim Crow, mostly slavery. Remember in the United States, in most families during slavery, there was no marriage. Many slaves were not allowed to bond to their mate. Guys were moved around to different plantations. Sometimes, moms were moved to different plantations. Sometimes, children were moved to different plantations.

After slavery was over, according to the records, there was a big effort for slaves to get married. They were jumping over the brooms all over the place because they never were allowed to marry. There was a big effort by slaves [who had been separated] trying to find each other to get married. . . . A whole segment was lost. Never did find each other. Well, where did that go? It didn't just go away.

If you listen to some of the kids, you listen to some of the families when you work with them, and you'll say: "Well, why didn't you get married?" And they'll say: "I don't want that guy having no papers on me." Where does that come from—I don't want that man to have any papers on me? That's a slavery issue. . . . Slavery's not that far away . . .

Q: *Does race influence the welfare debate?*

A: In most states, it's not a race issue. The last time I looked, and I haven't looked recently, there were more whites on AFDC than blacks. I think the media has made it a race issue . . .

I think this is a woman's issue. . . . Working women, single moms who work and who are not on AFDC, are really the underlying force here. . . . This is about equal treatment. Women on AFDC have a better system of resources and benefits than the low-income working women who are in the same situation. Without a husband or never married, they're working and not making big incomes. Why should they tolerate this?

Q: *The welfare debate is increasingly presented in terms of individual responsibility. Is this a legitimate way to talk about reform?*

A: On one side of the fence, you have people who believe that the people on AFDC are equally capable, equally competent, can do for themselves and they ought to be doing for themselves. On the other side of the debate, you have people who believe those people are incompetent . . . aren't capable . . . can't control their nature . . .

My side says: You don't have to have a child. You don't have to get pregnant. . . . You don't have to have sex.

A person is responsible to say: How can I have a child when I can't feed myself? [Having a child when you can't feed yourself] is absolutely irresponsible. Not irresponsible to the larger society; it's irresponsible to the child you're bringing into the world.

Q: *Bottom line, how does government protect the welfare of the poorest and most vulnerable child?*

A: The only way that government can do that is to take the child and keep him or her in a government-run institution . . . I don't know if that's the role of government. Every baby in the United States is vulnerable. Are we going to say that government ought to take kids away from their parents? . . . That's not where I'm at . . . It is not a sin to be poor. I grew up poor. . . . We grew up just fine. . . . That is not the issue for me. If the parent isn't providing, the question is why isn't the parent providing?

Q: *Do you expect a welfare reform law out of Washington this year?*

A: I think we're going to get a block grant. . . . The President blew it. He blew his opportunity to put the Democratic plan on the table and have it pass. It's a different ball game. □



CAROLYN COLE / Los Angeles Times

Wash. Times; 2-6-95

Shaw's way to welfare reform

By Lisa Leiter
THE WASHINGTON TIMES

Majority rule has its perks. A week before the November elections, when Rep. E. Clay Shaw Jr. of Florida was just another Republican, his wife, Emilie, reserved the House Ways and Means Committee room for a reception for congressional spouses. But when she decided to extend the reception, she discovered that a Democratic congressman already had reserved the following time slot.

So Mr. Shaw's chief of staff called the Democrat and asked him to postpone his event for a few hours. No response. He called again and again — until Congress adjourned for the 1994 election.

The day after, Mr. Shaw was anything but just another Republican. There was a phone call from a member of the suddenly deferential Democrat's staff saying Emilie could have the committee room for as long as she wanted.

"The sands are shifted up there, that's for sure," laughs Mr. Shaw, retelling the story. "There's a lot more concern about returning phone calls."

Mr. Shaw should enjoy more laughs after struggling against a Democratic majority during his first 14 years. As the new head of the Ways and Means subcommittee on human resources, he has become the focal point of the House's debate about welfare.

"I'm tremendously excited, but with that excitement goes a lot of responsibility," he says. "We have to control the legislative agenda. We just can't sit back and vote against what the Democrats are going to do. It takes a whole attitude change."

Mild-mannered — in fact, almost unflappable — Mr. Shaw would seem like the ideal consensus builder to help steer complex legislation through the House during the first 100 days, as he and his Republican colleagues have promised. But with this new-found power comes the challenge of balancing constituent needs with a national agenda and his moderate views with those of the GOP's staunchly conservative leadership.

Just weeks after the Republican revolution, Mr. Shaw expressed doubts about sections of the "Contract With America" denying welfare to unwed teen-age mothers and placing children in orphanages. He insists the word orphanages won't make it into the final bill. "The word is only in there once," he says. "Unfortunately, that one word has drawn the focus away from what we're trying to do."

Still, Mr. Shaw promises to adhere to the contract and help produce legislation with three key reform elements: a time limit on cash benefits; a work requirement for welfare recipients coupled with job placement and training; and no increase in aid to mothers who have additional children while on welfare.

He also endorses the plan's demand that women identify their children's fathers as a condition of receiving help under Aid to Families With Dependent Children, the main welfare program.

"These guys are getting off scot-free, and the mother's life is pretty much ruined under the present system," says Mr. Shaw. "They need to learn there is a price to pay for bringing kids into this world. What we're doing now is so upside down — it encourages multiple births. Everything we're doing is wrong."

Chairman has to overcome opposition on many sides



Fueled by unsuccessful attempts in the past — his welfare reform legislation has been blocked by Democrats for the past four years — Mr. Shaw exhibits confidence and determination to deliver a subcommittee vote by the middle of this month. But he still wishes his colleagues had given him a little more time.

"We've designed this thing in a very tough way with this 'Contract With America,'" he says. "We can do it, but it's going to take a lot of work. What we agreed to do is a sizable chore for the first two years, but we're going to work at it and see if we can't do it in 100 days."

To succeed, Mr. Shaw must overcome problems from all over the political compass — liberal Democrats, the tendency of lawmakers to dismiss an agenda in favor of their home district's pork-barrel needs and a zealous business experience to see him through the coming bedlam of the 104th Congress.

"It's just going to be a question of party unity," he says. "[Congress is] going to have to have a longer and wider vision for America."

Concentrating on national issues is something new for Mr. Shaw, 55, who has spent most of his previous seven terms serving up federal dollars for his district.

Before joining Ways and Means in 1988, he served on three committees: Judiciary, Public Works and Transportation and Select Narcotics Abuse and Control. Mr. Shaw concentrated on regional issues, such as the military's involvement in the war on drugs, Everglades preservation and, most notably, South Florida's traffic woes.

In 1986, he secured $59 million to link Broward County's western suburbs by highway with its waterfront neighborhoods and to expand a dangerous two-lane highway called Alligator Alley into a superhighway connecting Florida's Atlantic and Gulf shores.

Transportation issues bonded him with Dade County Democrat Bill Lehman, who retired from Congress in 1992 after serving 20 years. "I helped him on Appropriations and then he had to support my bill because he had a project in here," Mr. Lehman says. "Sometimes, that wasn't easy for him to do."

In 1993, Mr. Shaw brought an intensely personal element to a controversial national issue —the North American Free Trade Agreement, or NAFTA. He hinged his vote on the extradition of a Mexican farm worker, Serapio Zuniga Rios, accused of abducting a 4-year-old California girl the year before, taking her to a construction site, raping her, tying her to a tree and leaving her to die.

The little girl was a niece of a longtime secretary in Mr. Shaw's office. Her family hired detectives who tracked Mr. Rios to Mexico. The United States formally requested extradition, but Mexican officials balked, saying Rios would be tried in Mexico.

Mr. Shaw says the Mexican intransigence demonstrated a lack of respect for international agreements. No Rios, he warned, no vote for NAFTA.

Eventually, the Mexican government said it would give up Rios, and Mr. Shaw supported the trade agreement. (Mexico subsequently reneged; Rios was tried and convicted there and now is in jail.) Mr. Shaw doesn't regret his vote but says he'll be wary of the Mexican government while serving on the Ways and Means trade subcommittee.

Mr. Shaw's personal and political roots run deep in South Florida, one of the country's most transient areas. He was born and reared in Miami and graduated in 1961 from Stetson University in De Land, Fla., along with Emilie, his high-school sweetheart, whom he married while in college. In 1963, he earned his master's degree in business administration from the University of Alabama.

After graduating from Stetson University Law School in St. Petersburg in 1966, Mr. Shaw moved to Fort Lauderdale. He built his political reputation as a prosecutor and municipal judge, winning a seat on the city commission in 1971.

He was elected mayor of the one-time haven for spring-break-bound college students after four years on the commission. In 1977, while mayor, he enacted a tough ordinance outlawing rooftop signs and billboards. But he also had to confront more volatile issues, such as conflicts between eastern Fort Lauderdale's wealthy yachtsmen and the working-class folks in neighborhoods to the west.

Carlton Moore, Fort Lauderdale's only black commissioner, was a thorn in the side of Mayor Shaw. Since then, Mr. Moore has fiercely opposed some of Mr. Shaw's voting record, including his opposition to the Civil Rights Act of 1990. "I was very disappointed with the stance he took on that issue. I wish he had different life experiences that would give him different opinions about things," says Mr. Moore, a commissioner for seven years. "But I've found him to be consistent, and there is a certain respect for that."

Mr. Shaw won his congressional seat in 1980, beating a Democrat in Broward County, arguably the most liberal in the state. He did it by bridging the gap between the largely Jewish, fiercely Democratic strongholds of retirement condominiums and Republican bastions of waterfront mansions.

"He is listening to his constituents," says Dave Samson, president of the Concerned Citizens of Northeast Dade, a nonpartisan civic association. "He has voted the way we asked him to in the gun bill. ... Now that he's a leading figure in the new Congress, he can't hurt us. He can only help us."

Maintaining bipartisan support in his district and on Capitol Hill will be more difficult for Mr. Shaw now that he's fashioning legislation as tricky as welfare reform. He admits he'll face criticism once welfare and other federal programs are cut.

"It is going to be an issue that, if it's not handled with sensitivity, could give him a lot of bruises," says Mr. Moore, whose city commission district contains a large portion of Fort Lauderdale's welfare recipients. "This could be the issue that hurls him into national prominence — or real embarrassment."

Mr. Lehman says, "If there's such a thing as a good Republican, then he's the one."

N.Y. Times; 2-8-95 p. 1

Program With 60's Spirit Butts Against 95's

By PETER APPLEBOME
Special to The New York Times

PHOENIX, Feb. 1 — On New Year's Eve, Kerri Goncher packed up her 1987 Toyota Supra in Chicago and drove here in 34 hours straight to begin teaching the severely emotionally disturbed and sometimes violent children who end up at the Little Canyon Center run by the Arizona Baptist Children's Services. She will earn $4.50 an hour plus an annual $4,725 educational grant.

Ms. Goncher's bouncy enthusiasm for a low-wage public service job may be just what President Clinton had in mind for the Americorps public service program.

In its first five months of operation, the program has placed 20,000 Americans like Ms. Goncher, a recent University of Wisconsin graduate who hopes to become a teacher, in a wide variety of public service jobs tutoring children, serving as police cadets, repairing housing projects and monitoring contamination of rivers in 350 programs around the country.

The New Volunteers

A special report.

Mr. Clinton has hailed the program as perhaps his proudest achievement and one that is already "changing the way that Government works." In his proposed budget for the fiscal year 1996, he is asking $812.5 million out of a $1.6 trillion budget to finance 47,000 Americorps members.

Congressional Republicans are threatening to kill Americorps, calling it a costly throwback to an era of big Government. Some say that it will make it harder to recruit volunteers without incentives and that it is unnecessary because many participants will just get Government assistance to do what they would have done anyway.

And instead of Mr. Clinton's hope that Americorps would evoke the spirit of the Kennedy years, when the Peace Corps drew instinctive support, Americorps

Cont'd on next page



Jeffery V. Chatlosh for The New York Times



Jeff Topping for The New York Times

Donald Davis, above, works for the Federal Americorps program organizing social service projects for young people at two elementary schools in Florence, S.C. Kerri Goncher teaches emotionally disturbed children in an Americorps program in Phoenix.

from previous page

has come to reflect the opposite: the anti-Government ethic and budget roadblocks now facing almost any new Federal program.

With its self-consciously businesslike moniker as the Corporation for National Service, its bottom-up structure controlled by state commissions appointed by mostly Republican Governors, and its scaled-down stipend, the program was designed as a public service program for an anti-Government era.

"I like to think of our role as an investment banker investing in local communities, rewarding the programs doing well with growth possibilities and making sure those not working are not refunded," said Eli Segal, who heads the program and has the title of chief executive. "This is a like a start-up business, designed with the support of moderate Republicans, which believes that delivery systems as close as possible to the customer will bear fruit in terms of quality."

But, businesslike oratory aside, Congressional Republicans say Americorps is just another Government program at a time the nation needs fewer of them.

"If you're going to get to a balanced budget and your choice is having a nice little Government bureaucracy that runs people around the country doing nice things or taking care of people with severe disabilities," Speaker Newt Gingrich, Republican of Georgia, said in a recent interview, "where is each one on the priority list?

"It just strikes me that on any reasonable list that gets to a balanced budget, this is a long way below the line of what doesn't survive."

In his Presidential campaign, Mr. Clinton advertised his proposal for a national service program as a way to help students pay for their education while serving their country and being imbued with the spirit of service to others. Interviews with Americorps members and organizations that employ them indicate that the program is already creating extraordinary interest among young people and tapping into a nascent spirit of public service on college campuses.

But they also indicate that it could be difficult for the program to meet the most exacting standards for selfless activism that some will hold it to and that the timing of the program could not be worse, given the budget realities in Washington.

"I really think that as long as the Government is going to play some role, this is the best way they can do it, and that you can use a program like this to jump start a lot of positive activity for very little money," said H. Daniels Duncan, president of the United Way in nearby Mesa, where six Americorps workers are putting together what organizers hope will be a network of 3,000 community volunteer workers. "The issue is, Is a little money too much money right now?"

DETAILS

Americorps Up Close

■ CURRENT FIRST-YEAR FINANCING

$376 million for 20,000 AmeriCorps members.

■ AUTHORIZED SECOND-YEAR FINANCING

$580 million for 33,000 participants.

■ COMPENSATION

Living allowance of approximately $7,600 a year and education award of $4,725 for up to two years

■ REQUIREMENTS

Participants in most programs must generally be at least 17 years old, must be U.S. citizens or permanent residents, and have high school diploma or G.E.D. or agree to obtain one before using education award.

The Beginning

A Network Of Activists

Americorps formally began last September with a $376 million budget for 20,000 participants. The budget for the fiscal year 1995 is $580 million for 33,000 members.

Participants receive a small living allowance, approximately the minimum wage, limited health care coverage and child care, plus a $4,725 tuition grant for each year of service — about 1,700 hours of work. People can serve for two years and get a maximum tuition grant of $9,450, which can be used for current or future college costs or to repay existing loans.

Americorps incorporates some existing programs like Vista. It is separate from the Job Corps, which provides job training ever year for about 65,000 disadvantaged young people.

Americorps is producing an enormous variety of public service work, much of it historical social service activity, some of it reflecting current conservative trends.

In New Orleans, the Youth Action Corps founded by Americorps works on projects from wetlands preservation to tutoring in low-income areas. The South Carolina Victim Assistance Network works with crime victims and advocates for victims rights in law-enforcement centers, shelters and crisis centers around the state.

At what is called the SalmonCore program, students from the Yakima Indian Nation in Washington State are cleaning out polluted settling ponds at a former Department of Energy site to grow fish to help replenish the dwindling salmon run in the Columbia River.

In the New York area, activities include tutoring and mentoring disadvantaged young people through the I Have A Dream Foundation and working as cadets in the Police Cadet Program of the New York City Police Department.

In Iowa, Sarah and Rebekah Swan, 19-year-old twins, are members, Sarah working at a Family Violence Center in Des Moines, Rebekah at the Alzheimers Association of America in Cedar Rapids.

Donald Davis, 45, a carpenter and painter, decided after 14 years in the Army that he wanted to work with young people. He is now working at two elementary schools in Florence, S.C., organizing social service projects for youngsters.

Michael Davis, a student at Eastern Michigan University, and Michelle Cooper, a student at the University of Alabama at Birmingham, tutor as part of the program. In Boulder, Colo., Pakou Cha, a University of Colorado student who speaks Hmong, Spanish and English, tutors children, many of whom speak little or no English, at the San Juan del Centro Family Learning Center.

The program's goal has been to provide opportunities for as diverse a group as possible, from the Ivy League graduates who once might have joined the Peace Corps to high school dropouts working on their general equivalency degree and trying to stay out of trouble.

"I had thought of being an architect, but it was like a fading dream," said Timothy Moore, an 18-year-old high school dropout and former gang member in New Orleans. "Americorps really changed my life. It gave me good things to think about."

The Mechanics

Conservatism And Public Service

The program in Arizona reflects Americorp's structure and scope —

Cont'd on next page

from previous page

from working on environmental issues with Navajo elders to passing out condoms and pamphlets about sexually transmitted diseases in Tucson's red-light district.

Programs are selected by a 25-member board appointed by Gov. Fife Symington, a conservative Republican, and headed by Lieut. Col. Gary Smith, who works in the anti-drug program of the National Guard.

Most participants, like Ms. Goncher, augment existing operations. The most ambitious new project spawned by Americorps is the Border Volunteer Corps, a $2.6 million program with 103 Americorps members working in 25 projects along the border.

Richard H. Carter, the program's director, said, "There is a new park now, immunized children, trained migrant farm workers, people working in environmental programs, community gardens, new homes in the Indian nations, restored homes."

But Republican critics in Washington say that its incentives will draw people from other volunteer activity, that it is more expensive than the Government is saying and that in the end it is not true volunteerism but a Government job.

"All those volunteer programs that have been working so beautifully cannot compete with this type of program," said Representative Bill Goodling, the Pennsylvania Republican who is the new head of the House Economic and Educational Opportunities Committee. "You really kill volunteerism with a program like this."

Social service organizations here and elsewhere scoff at the idea that Americorps will have a negative impact on volunteerism.

"We've had a lot of volunteers, but most don't last more than a day or two," said Maggi Castagna, education coordinator at Little Canyon Center, which has about 36 emotionally disturbed students ranging in age from 6 to 17, and where Ms. Goncher augments the three teachers and three technicians. "They just find that these kids are out of their league."

On the other hand, it is less clear how much Americorps is creating new public service workers and how much it is just creating a more attractive environment for people who would be doing similar work.

In Arizona, Jennifer Larkin, 25, was holding down three part-time positions with the Y.M.C.A., working with children before and after school and in the 118-degree heat at summer camp. "I really felt I was being used," she said.

Now she gets her health care covered and the educational grant helping to organize volunteer programs for Parents Anonymous, which works to prevent child abuse and neglect.

Dorothy Cuppernell, 20, whose husband is with the United States Army in South Korea, originally got into the Americorps program in North Carolina because it was one of the few options available to a young mother that provided day care.

She said her first position was at a school where she barely felt needed. Now, in Phoenix, she is at Tumbleweed, a small social service agency that runs shelters and group homes for teen-age runaways. And the program pays $75 of the $99-a-week child care cost for her 3-year-old daughter.

Barbara Tenes, 27, who works at another Tumbleweed shelter, was previously a youth-care worker for another social service agency and joined Americorps partly because of the opportunity for child care for her four children. Americorps has a maximum amount it will pay for child care and she is still waiting to find out how much the state will pick up to see if she can afford to stay in the program.

"I'm doing basically what I was doing before," she said.

The majority of Americorps members are young people without children or with minimal interest in health insurance.

"There's not enough money in this to do it unless you really want to serve," Ms. Goncher said.

But, in the current budget-cutting environment, critics say, it is likely that unless the program can document that it is increasing the volunteer pool, it could run into problems in Congress.

The Future

Productivity Vs. Priorities

Americorps' future may depend at least as much on how people in power view Government as how they view the program.

Mr. Gingrich says he has no great criticisms with the way the program has been run, but he still thinks it is not needed.

"I'm glad that Americorps vaguely resembles the Peace Corps," he said. "I'm willing to bet money 20 years from now it won't. If you looked at HUD, at the Model Cities Program, the Appalachian Commission, you'll find they will gradually be politicized, they will have a few scandals, they will then adopt more rules and regulations, and presently they will be a mess."

So far almost all the criticism of the program has come from Washington. In the states and among those in academia who study volunteerism, there is general agreement that the Federal Government can play a positive role in fostering public service and volunteerism and that the current moment is a propitious one for doing it.

Arthur Levine, the president of Teachers College of Columbia University, who has studied volunteerism on campus, said the nation was seeing a resurgence of public service on campuses and that a recent study showed that 64 percent of college students took part in some form of public service.

What is needed, Dr. Levine said, are structures and incentives that allow that service to be sustained. In its ability to foster a broad-based ethic of community service, he said, Americorps is admirable and right for the times.

"The last Administration talked about a thousand points of light," Dr. Levine said, "but that hasn't produced the kinds of programs that America needs. This is real, it's tangible, it's worth doing well.

"This isn't recruitment for national activity. It's making things better at the local level, which seems consistent with everything that's happening in the country."

Whether it is consistent with current budget realities is another issue.

"Show me the priority list that keeps this alive and show me what what you kill in order to keep this alive," Mr. Gingrich said. "The President's answer is, 'Don't have a balanced budget, and your grandchildren will be glad that you borrowed the money from them to do this in your lifetime.'

"I think, frankly, that's wrong."

N.Y. Times; 2-8-95

Hard Queries For Director About Savings In the Budget

By ROBERT PEAR A16
Special to The New York Times

WASHINGTON, Feb. 7 — President Clinton's budget director, Alice M. Rivlin, was besieged today with questions from members of Congress in both parties who wanted to know why Mr. Clinton had not proposed more substantial measures to reduce the Federal budget deficit or to control the growth of benefit programs like Medicare and Medicaid.

Ms. Rivlin argued within the Administration for more aggressive steps to reduce the deficit, but she defended the President's new budget request in testimony today before the House Budget Committee.

She said it would have served "no useful purpose" for the Administration to propose specific ways of saving money in Medicare. "As a tactical matter," she said, "it seemed more advisable to work with Congress" on a bipartisan approach.

Representative Wayne Allard, Republican of Colorado, called Mr. Clinton's request "a status quo budget." Representative Christopher Shays, Republican of Connecticut, said: "This is a very timid budget. The President has abdicated his leadership responsibility and said to Congress, 'You do the job.' We will."

Democratic Representatives like Charles W. Stenholm of Texas, Bill Orton of Utah and Glen Browder of Alabama joined the Republicans in criticizing the President's budget on the ground that it did not do enough to reduce the deficit. Under Mr. Clinton's request, the deficit would rise to $196.7 billion next year, from the $192.5 billion projected for this year and it would remain around $190 billion a year through 2005.

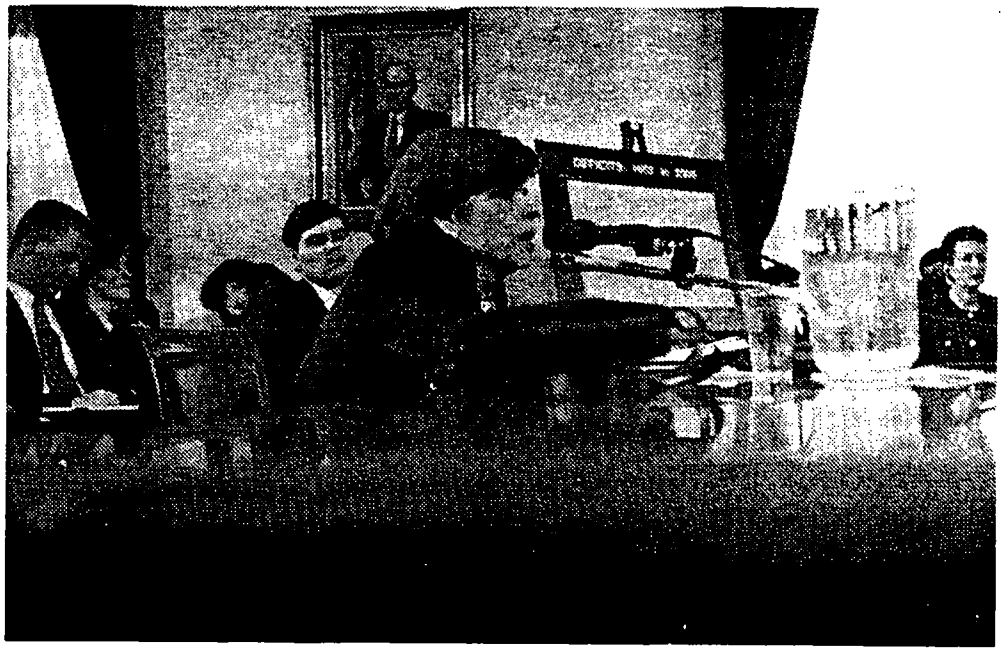
That is substantially less than the record deficit of $290 billion in 1992, but it falls far short of the commitment made by Mr. Clinton as a Presidential candidate. In his campaign book, "Putting People First," Mr. Clinton said his economic plan would "cut the deficit in half within four years and assure that it continues to fall each year after that."

Some Republicans, like some moderate Democrats, said they placed a higher priority on deficit reduction than on strict party loyalty. They said that to prevent big increases in the deficit, they would consider scaling back the tax cuts proposed in the party's election manifesto, the Contract With America.

Representative David L. Hobson, Republican of Ohio, said, "More important than a tax cut is to get the deficit under control." He said the size of the tax cut might need to be re-examined. And he asserted that Ms. Rivlin "obviously isn't excited" about the budget she was defending. "It was hard for her to defend," Mr. Hobson said. "Her heart is not in it."

Republicans pointed out that the deficits envisioned in Mr. Clinton's budget would require the Treasury to borrow large amounts of money. Government debt held by the public would rise to $4.8 trillion in the year 2000, up from $3.4 trillion last year, and interest payments on that debt would rise 53 percent, to $310 billion in 2000 from $203 billion last year.

Ms. Rivlin said that Federal spending should not exceed Federal receipts over the course of a business cycle, but she opposed rigid requirements to balance the budget every year. "It would be self-defeating to get to balance by cutting the public investment we need to make the economy grow faster," she said.



David Scull/The New York Times

The White House budget director, Alice M. Rivlin, testified before the House Budget Committee yesterday.

Wash. Post, 2-8-95

Budget-Balancing Considerations Weaken Hill Push for Tax Cuts



PHOTOS BY RAY LUSTIG—THE WASHINGTON POST

Senate Budget Committee Chairman Pete V. Domenici (R-N.M.), left, and Treasury Secretary Robert E. Rubin chat before the panel's hearing yesterday.

"How can we entertain the notion of a tax cut—any tax cut—when we need $1.2 trillion in savings to balance the budget? The answer is: We shouldn't."

—Sen. J. James Exon (D-Neb.)



Ways and Means Committee Chairman Bill Archer (R-Tex.), left, and Rep. Sam Gibbons (D-Fla.) await witnesses.

By Eric Pianin
Washington Post Staff Writer

House Republican leaders have begun considering ways to scale back their $200 billion "Contract With America" tax package under pressure from Senate Republicans and conservative Democrats who argue a massive tax cut could complicate efforts to balance the budget.

On the first day of congressional hearings on the Clinton administration's fiscal 1996 budget yesterday, Sen. J. James Exon (D-Neb.), Rep. Charles W. Stenholm (D-Tex.) and other conservative Democrats warned tax cut proposals by Republicans and President Clinton could undermine efforts to reduce the deficit.

Senate Budget Committee Chairman Pete V. Domenici (R-N.M.) said in an interview that while he might support modest tax relief for the middle class, "Deficit reduction comes first."

"There is no commitment to any size tax reduction plan in the Senate and there is no consensus, from what I can tell," Domenici said. "We're clearly interested in what the House says and does, but everybody knows that senators are very concerned about the deficit."

The House GOP tax plan, including $500-per-child tax credits and other relief for middle- and upper-income Americans and a 50-percent reduction in the capital gains tax, was a key provision of the Republicans' campaign platform last fall.

However, now that they are in control, Republican budget and tax leaders have discovered it is far more difficult than they assumed to fulfill all their tax cut promises without upsetting their larger goal of balancing the budget by the year 2002.

House GOP tax writers have signaled their intention of reducing or eliminating a proposal to liberalize tax write-offs for capital-intensive businesses that could drain the Treasury of an estimated $88.8 billion over 10 years.

Yesterday, House Ways and Means Committee Chairman Bill Archer (R-Tex.) said the size and shape of the tax package was in flux and that it was not clear whether Republicans would seek the full $200 billion of tax reductions over five years.

"We made a commitment and we intend to live up to it," Archer said, "but the commitment was not written in stone and the [Ways and Means] Committee could work its will—adjusting some of the specifics—in development of a package."

House Budget Committee Chairman John R. Kasich (R-Ohio) said Republicans were committed to preserving the major "thrust" of the "Contract With America" tax proposals, but added, "In this place, there's always the possibility of change."

The GOP tax plan also includes a new Individual Retirement Account for wealthier Americans, called the "American Dream Savings Account," elimination of the marriage tax penalty and repeal of the 1993 tax increase on the Social Security benefits of wealthier retirees.

Kasich said that while he supports the overall package, his primary concern was preserving the tax credits and the proposed reduction in the capital gains tax, indexed for inflation. "Those, to me, are the centerpiece," he said.

While the Republican tax plan would cost slightly more than $200 billion over five years, according to estimates by the Treasury and the nonpartisan Joint Tax Committee, those costs would begin to explode in subsequent years, threatening GOP plans to eliminate the deficit. After 10 years, the Republican plan would cost an estimated $704.4 billion, according to a Joint Tax study released this week.

Exon dismissed the GOP tax plan, more than three times the size of Clinton's middle-class tax relief package, as a "reckless" and "foolhardy" economic scheme that could derail deficit reduction efforts and ruin the economic recovery. "How can we entertain the notion of a tax cut—any tax cut—when we need $1.2 trillion in savings to balance the budget?" he said. "The answer is: We shouldn't."

The Republicans' tax cut proposals generated substantial voter enthusiasm during the campaign, as reflected in GOP surveys and focus groups.

However, voters now say they favor deficit reduction over tax cuts by a margin of 3 to 2, according to a recent Washington Post-ABC Poll. Kasich said he has received similar responses from large audiences at regional House Budget Committee hearings in Ohio, Arizona and South Carolina.

"They're in a sacrificing mode," he said.

Wash. Post; 2-8-95

Debating Clinton's Deficit Promise

Republicans Say Budget Falls Short; White House Defends Plan

By Clay Chandler C1
Washington Post Staff Writer

Does the budget proposal President Clinton submitted to a skeptical Congress Monday break his campaign promise to halve the deficit within four years?

NEWS ANALYSIS

Absolutely, say congressional Republicans, who yesterday assailed Clinton administration officials appearing before the House and Senate Budget committees for proposing too few spending cuts.

Poppycock, retorts the White House. In defending the president's budget, administration officials insist that Clinton has kept his word. "What we're looking at right now is having virtually cut that deficit in half . . . " White House Chief of Staff Leon E. Panetta declared yesterday on "Fox Morning News." "This is not baloney. This is fact."

Who's right? The answer depends on how Clinton's promise is defined, underscoring the slipperiness of campaign promises—whether Democratic or Republican—to take bold action to reduce the deficit.

In "Putting People First," the book in which Clinton and Vice President Gore spelled out their 1992 campaign agenda, the deficit promise was stated this way: "Our plan will cut the deficit in half within four years and assure that it continues to fall each year after that."

Republicans contend Clinton's new budget proves he has abandoned that commitment because it projects a deficit of $213 billion in fiscal 1997. That number, they argue, is less than one-third lower than the $290 billion deficit recorded in 1992, the year Clinton made his promise. And it is a scant

See DEFICIT, C2, Col. 3



LEON E. PANETTA
. . . *"this is not baloney"*

DEFICIT, From C1

$42 billion less than the $255 billion deficit posted in fiscal 1993, the last budget the Bush administration had a hand in.

What's more, Republicans contend, Clinton's new budget projects deficits remaining steady at about $200 billion throughout the next decade rather than falling, as candidate Clinton had pledged. The lowest deficit the administration's budget plan forecasts is $194.4 billion in 2000—still less than half the 1992 deficit.

The administration's deficit projections are "disturbing," Rep. Jim Kolbe (R-Ariz.) said as he sternly waved a copy of "Putting People First" at Office of Management and Budget Director Alice M. Rivlin during a House Budget Committee hearing yesterday.

But Rivlin and the other members of Clinton's economic team say the critics have it wrong. While Clinton may have promised in the 1992 primary campaign to halve the deficit in dollar terms, after the election, Clinton and his aides opted for a different standard: the size of the deficit relative to the nation's economy. That ratio is generally regarded as a more meaningful measure of the deficit by economists, but also makes Clinton's deficit-reduction task less imposing.

"They're using what's convenient," said Stanley Collender, director of budget policy at the Washington office of Price Waterhouse & Co., the accounting firm.

In 1992, the deficit as a percentage of gross domestic product stood at 4.9 percent. It has fallen in the two years since Clinton took office in part because of administration efforts to restrain spending, but mostly because strong economic growth has both made the GDP bigger and boosted government tax revenue at a faster rate than expenditures.

This year, the administration projects that the deficit-to-GDP ratio will decline to 2.7 percent—still more than half the 4.9 percent ratio of 1992. In its new budget proposal, the administration projects the ratio will fall steadily to 2.1 percent by 2000, but won't dip below 2.5 percent until fiscal 1998—which would end more than eight months after Clinton's current term concludes.

Collender argued that the administration could achieve its deficit-reduction goal—even in dollar terms—if economic growth remains robust through next year.

At a luncheon meeting with reporters Monday, Treasury Secretary Robert E. Rubin expressed astonishment at what he considered to be contentious nitpicking by Republicans. What difference does it make, he asked in evident exasperation, after reporters pressed him to be more precise about the president's deficit pledge. "What you're quibbling about," he marveled, "is whether he'll do it in 1997 or 1998."

The important point, Rubin argued in testimony before the Senate Budget Committee yesterday, is the "fiscal discipline has been reestablished after a long period of ballooning deficits and projections of ever increasing deficits." By 1998, the deficit would be cut in half "as the president promised it would be, both in absolute terms and as a percentage of GDP."

Rivlin, the administration's fiercest deficit hawk, also defended the Clinton budget as a document to be proud of yesterday—although she seemed to choose her words with caution.

"This is the president's budget," she told reporters over breakfast. "The budget director doesn't make the budget. She helps the president understand the choices he has to make."

BIG MONEY

Balancing Is Up to the GOP

Wash. Post; 2-8-95

On Deficit Cutting, Clinton Simply Gives Up the Ship

By James K. Glassman
Special to The Washington Post

COMMENTARY

On a trip to the Government Printing Office bookstore to buy a copy of the president's budget ($101.75), I noticed a publication called "The Plain English Guide to the Clean Air Act." Plain English! Now, there's an innovation. I plunked down $2.50 and took the 30-page booklet home.

It began: "Air pollution can make you sick." Inspired by this straightforward language, I offer the following "Plain English Guide to the Federal Budget." Here goes:

Big deficits can make you poor. They tend to retard the growth of the private sector, raise interest rates and weaken our currency. But, even so, in every year since 1969, the federal government has spent more than it has taken in. The biggest deficit of all time came in 1992; it was $290 billion.

Because of all these deficits, the government owes the public $3.6 trillion in the form of bonds. Paying interest on these bonds will cost $234 billion this year—which is $42 billion more than the deficit itself.

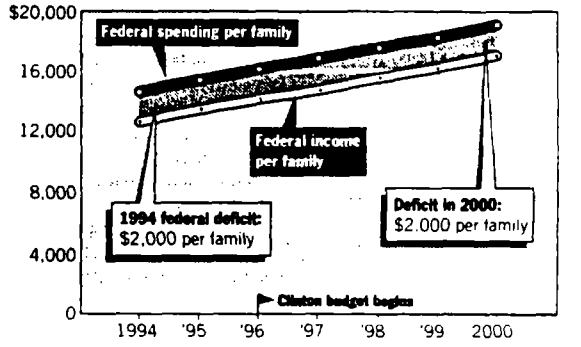
The Budget and Accounting Act of 1921 requires the president to send Congress every February estimates of how much he thinks the government will raise and spend in the year that's coming up. On Monday, President Clinton submitted his budget for the fiscal year that starts on Oct. 1, 1995, and ends on Sept. 30, 1996 (called fiscal 1996).

He also estimated income and spending for the four years after that. In each of the five years, he

Cont'd on next page

THE PRESIDENT'S BUDGET

If you put the huge federal budget on a family level (there are about 100 million families in the United States), spending per family rises as fast as revenue per family, resulting in a continuing deficit.



NOTE. 1994 figures are actual, other years are estimates; figures have been rounded
SOURCE. Office of Management and Budget

Wall St. Jrnl.; 2-8-95

Clinton Budget Draws Bipartisan Fire For Failing to Cut Spending Enough

By CHRISTOPHER GEORGES
And LUCINDA HARPER
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON – Both Democrats and Republicans on Capitol Hill took aim at President Clinton's newly released budget for not being aggressive enough in reducing federal spending.

"We are coming up way short on deficit reduction in this budget," said Democratic Sen. James Exon of Nebraska. "How can we entertain the notion of a tax cut when we need $1.2 trillion in savings to balance the budget? . . . It's fiscally irresponsible."

Not so, said Mr. Clinton's top economic advisers, who are defending his budget this week in a series of hearings before Congress. Arguing that the deficit is now "under control," Treasury Secretary Robert Rubin said the administration has already shrunk the deficit by $100 billion over the past two years.

The deficit is expected to narrow to $192.5 billion for the fiscal year ending Sept. 30 from a record $290 billion in fiscal 1992. However, in President Clinton's proposed fiscal 1996 budget, it would begin to expand; his budget puts the deficit at $196.7 billion. Administration officials respond that the deficit as a percentage of the nation's total output will shrink over the next few years.

While Mr. Clinton's first budget, for fiscal 1994, took a serious whack at the deficit, his last two have largely sidestepped the issue. This year, Mr. Clinton seemed content to let congressional Republicans take the lead – along with the responsibility – in offering large-scale cuts to meet their goal of balancing the budget over seven years.

White House officials also found themselves defending the administration's decision to omit health-care or welfare reform from the budget. While the administration is committed to reforming benefit programs, said White House Budget Director Alice Rivlin, it is aiming to develop its proposals in conjunction with Congress.

"I don't think it would have served a useful purpose to restate our welfare-reform proposal in the budget since we're in the middle of active dialogue not only with the Congress but states and localities," she said.

Despite the criticism, Republican Rep. Jim Kolbe of Arizona offered a measure of encouragement: "I've heard what was then some of the majority party say that President Reagan's or President Bush's budgets were dead on arrival; we don't believe that's the case here."

from previous page

predicts the deficit will be about $200 billion. In other words, by the year 2000, another $1 trillion will be added to the government's debt.

An easier way to think of these huge figures is by family. There are about 100 million families in the United States, so, according to the president's budget, in fiscal 1996 the federal government will take in revenues of $12,600 per family and will spend $14,600 per family—resulting in a shortfall, or deficit, of $2,000 per family.

In the year 2000, the president expects the government to raise $17,100 per family but to spend $19,100 per family. Again, the deficit is $2,000.

These numbers raise an obvious question: If the president believes that, over the next five years, revenue per family will rise $4,500 (from $12,600 to $17,100), why can't he try to hold down the increase in spending to $2,500 per family instead of the amount he's budgeted, which is $4,500 per family?

That is what a business in such a predicament would do. If the government could hold yearly spending increases to $500 per family instead of $900 per family, then the budget would be balanced by the year 2000.

In fact, last month, the Congressional Budget Office issued a report that showed just what would be needed to erase the deficit by the year 2002—which is what the government may be required to do if the balanced-budget amendment to the Constitution is ratified.

The CBO's suggestion had two parts:

1. The government should freeze "discretionary" outlays after 1998. This would mean that in 1999 and the following three years, the government would spend only as much as it did in 1998—except on what are called "mandatory" programs, or entitlements, such as Social Security, Medicaid (health care for poor people), Medicare (health care for old people), military pensions and food stamps.

2. The government should find roughly $30 billion a year ($300 per family) in new cuts in each year from 1996 to 1999, then keep those cuts in place through 2002. The cuts could come from many sources. For example, under the current budget, the government is expected to spend a total of $5,200 per family on Medicare and Medicaid by 2002. Last year, spending was $2,400.

What is significant—and somewhat scary—is that President Clinton, in his own budget this week, showed no interest in ending the deficit at *any* time in the future.

Last year, he bragged that his budget "keeps deficits on a downward path." This year, he seems to have given up. Under his new budget, the deficit will rise, not fall, in the 1995 to 1996 period. And his total five-year deficits are $80 billion higher than the deficits in the budget he submitted last year.

In his budget message, Clinton says he is proposing $144 billion in "spending cuts." But in plain English, spending will actually increase—by $73 billion in 1996 compared with 1995, by another $73 billion in 1997 compared with 1996, and so on.

So just where does this word "cut" come from?

What the president means is this: If you add up all the spending that White House budget experts *expected* to occur from 1996 to 2000, you get $8.9 trillion. But Clinton and his advisers have found ways to lower that number by less than 2 percent—with most of the changes (many of them dubious) occurring in 1999 and 2000.

In Washington budgetspeak (also known as "baseline" terminology), he's "cut" spending by $144 billion.

In truth, the president has simply decided to leave budget-balancing—a nasty business—to the Republicans, who resent this tactic and, in the words of the House Budget Committee chairman, Rep. John Kasich (R-Ohio), believe it's an "abdication of leadership."

But this GOP grousing is unfair. Raising money and spending it are congressional jobs. The president, especially in this year of the "Contract With America," is really a bit player.

The big question is: What will the Republican budget look like? Unfortunately, we probably won't know for another two months. The GOP strategy is to spring a surprise on the groups that will be affected by cuts—including, perhaps, farmers, artists and old folks.

But are the Republicans serious about eliminating the deficit? That question requires the sort of opinionating that may be inappropriate to this guide.

Still, the author would venture to say, in Plain English, that he wouldn't bet against it.

*USA Today; 2-8-95

Rate hikes could swell federal deficit

By Bill Montague
USA TODAY

The sharp rise in interest rates the past year has torn a big hole in the budget of the world's largest debtor — the federal government.

The inevitable result: The government will find it harder to keep from going even deeper in debt in coming years.

That dismal news is in President Clinton's new budget plan. The administration says federal spending the next four years will be $146 billion more than it forecast last summer.

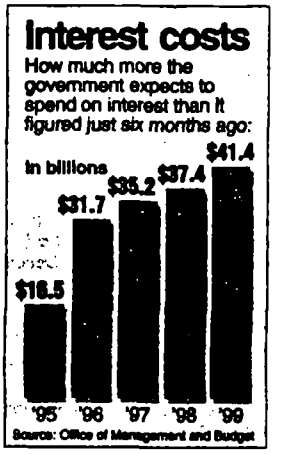
Higher rates force the government to pay more to investors who buy Treasury securities. Costs will hit $234 billion this year, making them the third-largest budget item, after Social Security and defense.

At risk: Efforts to cut the federal deficit, set to total $193 billion this year. Although Clinton is urging $102 billion in spending cuts the next four years, higher interest costs probably will more than offset those cuts.

"There's no question we could have narrowed the deficit more if rates hadn't gone up as they did," says Larry Haas, spokesman for the Office of Management and Budget.

Part of the blame rests with the Federal Reserve. Over the past year, it has doubled the key federal funds rate, from 3% to 6%. As a result, long-term rates also have soared.

Supporters say the Fed had to raise rates to cool the economy and fight inflation. If it hadn't, the Fed would have ruined its credibility. Result: higher long-term rates, and higher federal interest costs.



By Gary Visgaitis, USA TODAY

But some economists argue the Fed can't ignore the deficit. "We have a big problem, and the Fed has to play a role," says David Levy, president of the Levy Economic Institute.

Criticism of the Fed could rise if Congress and the states pass a balanced-budget amendment. Unable to borrow, lawmakers would have to cut spending or raise taxes whenever the Fed boosted rates.

"Political pressures would grow geometrically," says Louis Crandall, economist for R.H. Wrightson, an investment firm. "That's not a position the Fed wants to be in."

WASHINGTOLOGY

Wash. Post; 2-8-95

Uncle Sam's Second Mortgage On America

By Joel Achenbach
Washington Post Staff Writer



BY TOM HERZBERG FOR THE WASHINGTON POST

For the average goober who doesn't understand federal budgetary policy, the Clinton administration has produced a thin little primer called "A Citizen's Guide to the Federal Budget." It begins like this:

"In a typical American household, a father and mother might sit around the kitchen table to review the family budget. They might discuss how much they earn each year and, in turn, how much they can spend on food, shelter, clothing, and perhaps a vacation." It goes on to describe how the family might discuss ways of earning more or spending less. "Or they might borrow."

Then comes the punch line:

"In a sense, the Federal Government plans its budget much the same way."

A family that operated like the Federal Government would end up in jail. They'd lock up the mom, the dad, the kids and possibly the dog. Psychiatrists would study them through one-way glass. The family's house would be bulldozed.

The citizen's guide does go on to acknowledge that a government budget is "far more complicated" than the typical

See WASHINGTOLOGY, B8, Col. 3

A Fiscal Examination

WASHINGTOLOGY, From B1

family's. But the biggest difference is, the typical family knows that if you borrow money you have to pay it back. The family realizes that you might be able to pay it back by borrowing more money from someone else, but that you can only do this so long before you are in big trouble. This is called "borrowing from Peter to pay Paul." No family could do this for 25 years in a row. That's what the federal government has done. It's done it precisely because it is *not* like a typical American family.

The government has no fixed constraints on either its revenue or its expenditures. If it wants more revenue, it just says give us more revenue. If it wants to spend more, it just spends more. It has the supreme arrogance that comes from virtually unlimited power. No family is like that. The closest thing might be Disney.

People will always lend the government money (by buying Treasury notes) because the government is so very unlikely to ever decide to go out of business. Even with all its debt, it remains theoretically rich, with tremendous inventories of tanks, planes, national parks, statues and office buildings.

Thus the main constraint on the government is conscience. This is in such short supply that there are demands for a constitutional amendment prohibiting the leaders from doing what their consciences fail to tell them not to do. It's like the owners and players in baseball needing the White House to save them from their own greed.

It's true that when government leaders put together any given budget they are somewhat constrained by political reality. Unfortunately, political reality is different from . . . how can we put this . . . *real* reality. Few voters have the keen, humorless, probing eye of a mortgage underwriter who has to decide if you really can afford to buy a $200,000 house. In fact, the electorate *demands* the deficit. The electorate expects the massive entitlement programs to remain intact, expects a strong defense, expects tax cuts and has relatively few suggestions for programs that can be eliminated. The favorite targets, welfare and foreign aid, together account for less than 3 percent of the budget.

So that's another difference between a family and the government. Parents do not give their kids everything they want. Parents say no. The government needs to learn this age-old rebuke. There are entire demographic categories of the population that need to go to their room for a "timeout."

Occasionally leaders do take a stand. The problem is, they get kneecapped. President Clinton took strong action to reduce the deficit in his first two budgets, and he took a lunge, however clumsily, at health care, the fastest-growing area of federal spending. For this the electorate rewarded him with a Republican Congress. When President Bush, to fight the deficit, raised taxes despite his vow not to, the people rewarded him with retirement. The people have spoken. It's an unintelligible grunting noise.

There are some similarities between families and governments. Both tend to be expansionary. They spawn madly. They become trapped in their own elaborate webs. They start out thinking of a Great Society; they end up fighting over who will take out the trash.

And families, like governments, borrow too much. But a family's debt is often an investment. A new deck. An aviary. Indoor plumbing. As the citizen's guide itself points out, "Recent deficits have not financed investments. Instead, they have merely helped the Government to pay for its day-to-day bills." If the government were a typical family, concerned friends would stage an intervention, complete with the dramatic ripping in half of credit cards.

Here's a grabby fact: "Today, the Government must spend 40 percent of every personal income tax dollar to pay interest on the national debt."

My own technique for understanding the $4 trillion national debt is to figure out how much interest we are paying on the debt held by foreigners. This is not meant to be an exercise in xenophobia, just a way to put into perspective, for example, the $16.9 billion the federal government spent in 1994 on Aid to Families With Dependent Children.

At the end of fiscal year 1994, according to the budget, about 19 percent of the debt was foreign-held. We're $635.9 billion in hock to foreign investors and foreign banks. If you look closely at Table 13-6 on Page 196 of the "Analytical Perspectives" portion of the budget—you are following along with your home copy, yes?—you can see that we paid $44.5 billion in interest to these affluent foreigners in 1994.

That's $44.5 billion right out the door. Fwoosh! Gone.

No doubt most of the foreign investors are lovely individuals. It's just that Aid to Foreigners With Personal Pastry Chefs is not my favorite program.

Looking through the budget, one is struck by how many things Clinton has in here labeled "the [something] Initiative." This is Clinton's signature. Everything his administration does is bold, full of initiative. One encounters the "Common Sense Initiative," the "Environmental Technology Initiative," the "New Millennium Initiative," the "Aeronautics Initiative," the "Women's Health Initiative," etc. There's a great thing called the "Nuclear Posture Review." There's something called the "Climate Change Action Plan."

You read through the budget and can't help but think of all the meetings. Think of the pressure to find available conference rooms. To come up with an initiative you first have to have pre-initiative meetings, and even when you've announced the initiative it is still only an initial sort of thing, by definition, and so you have to have implementation strategies and follow-up reports and inter-agency conferences and performance reviews, and that's why the budget is full of lines like this:

"A 17-member inter-agency working group chaired by EPA has worked since March 1994 to ensure implementation and address specific issues. Federal agencies continue to work to finalize the agency-wide environmental justice strategies that the Order required."

A final note: It used to be that a president's budget came in one fat, lurid, grotesquely swollen volume. It was the Jabba the Hutt of documents, belching and wheezing and snorting and drooling and retching. You didn't even have to read the darn thing to appreciate the dimensions of the federal government—you just had to feel the soreness in your arms the day after you were carrying it around.

But President Clinton's budget is different: It has been broken up into several not quite so obese volumes. It looks better. This is definitely a superior format.

Of course it stacks up just the same.

JUDY MANN

wa. post; 2/8/95

The Economy: It's Women's Business Too

Women talk about the economy differently than men. This may not be as heart-stopping a discovery as the finding that we communicate differently in relationships, but it is a fact that has enormous implications in politics.

Speak to me, and I may not be yours, but the chances are I'll at least listen. This is a key idea behind the "Women's Voices for the Economy Campaign," launched by the Center for Policy Alternatives with the backing of 30 leaders of women's organizations and commissions. It is the freshest set of economic ideas to emerge from the progressive camp in a long time, and if it gets the attention it deserves, it could help set the agenda about the economic direction for the country for years to come.

Economics drives elections, but what happened in 1994 is that neither party talked to female voters in terms that resonated with their lives. And female voters stayed home by the millions.

A series of polls has shown that men tend to talk about economic problems in terms of taxes and the deficit, whereas women put taxes near the bottom of their worries and balancing work and family right at the top.

A post-election survey by Democratic pollster Celinda Lake found other differences: Women are more likely than men to believe they are financially worse off compared with a year ago, they are less convinced that the economy is in recovery, and they are more worried than men that unemployment and cost of living are going up.

Typically, Lake says, women make up about 54 percent of voters, but that dropped to 51 percent last November, with white women giving Republicans two percentage points more of their vote than they gave the Democrats, whom they traditionally favor. "If women had had the same enthusiasm for Democrats that men did for Republicans, [the Democrats] would still be in control of Congress," Lake says.

The stakes for talking to women and bringing their voices into the discussion about economic growth couldn't be much greater. "Unless the political debate gets framed in a way that interests women, they don't tune into it," CPA President Linda Tarr-Whelan says. "I focused on kitchen table issues, family economic well-being." She also focused on the fact that women are fueling the economic growth while still having to overcome barriers to succeed in business.

And that doesn't make sense.

Women are joining the work force at a faster rate than men, and most will work for money at some point in their lives. More women are graduating from college than men. They start small businesses at twice the rate men do. Yet 52 percent of those women have to use high-interest credit cards because they have trouble getting loans. In 1990, women's median annual earning was $12,250, while men's was $21,522. Women are almost two-thirds of the minimum-wage earners.

The CPA campaign is starting at the state and local levels and in women's networks to try to develop model legislation to implement effective programs. Organizers then plan to move their ideas into the presidential debates in 1996, much the same way that welfare reform has bubbled up from the states. "The concept is to be very pragmatic," Tarr-Whelan says. "Most initiatives will always involve some kind of partnership between nonprofits and the public and private sectors, and not just government solutions."

Initially, the campaign will focus on making capital more available to female entrepreneurs and for the expansion of child care, both at centers and home-based, which is "a big producer of jobs and income for women," Tarr-Whelan says. "The two things we'll lead off with are those that cut across race, age and class." For example, a Colorado program in which 80 banks participate provides 57 percent of its loans to women- and minority-owned small businesses.

Other parts of the economic agenda involve increasing access to training and skill development for women and to emerging business and telecommunication networks. Currently, men earning computer science degrees outnumber women 8 to 1. Another initiative would help employers develop flexible work schedules and workplaces, which a third of women say would be critical to helping them balance work and family.

None of these ideas pits women's economic well-being against men's. Quite the opposite: The campaign is looking at ways to strengthen women's contributions to the economy and to their families.

That's a message women will listen to, and so should men.

Wash. Times; 2-8-95

Professional leaders form panel to fight domestic violence

By Frank J. Murray
THE WASHINGTON TIMES

Leaders of the nation's lawyers, physicians and teachers join today to form a national commission searching for ways to reduce spousal violence.

Presidents of the American Bar Association and American Medical Association and other commission members were to launch the effort by visiting women sheltered at Miami's Safespace, which takes in 1,700 women and children each year.

The Commission on Domestic Violence will be unveiled this morning by ABA President George E. Bushnell Jr., who said the panel will begin searching for answers from victims of domestic violence.

Among issues it will explore are legal assistance for victims, personal injury lawsuits against abusive spouses, police training and mandatory arrest policies.

"Doctors, attorneys, judges, social workers, police officers and victim advocates can make a difference with a commitment to work together on this issue, in every state, in every community," said Dr. Robert McAfee, president of the AMA.

Although 8,000 victims of domestic violence go to court in Dade County, Fla., each year seeking help, Safespace offers the Miami area's only respite with 78 beds at two shelters.

"Until just recently, domestic violence has been our nation's most destructive secret," said ABA President-elect Roberta Cooper Ramo, the first woman ever elected to head the ABA.

"But even as the national spotlight is focused on this issue, far too many of the 2 to 4 million who will be victimized this year . . . may be forced to return to violent homes," she said, emphasizing its effect on children who witness violence.

"Failure to help their mothers by stopping the cycle of violence also sows the seeds of future generations of victims and abusers," Mrs. Ramo said.

Also on the commission is Mrs. Ramo's husband, Dr. Barry Ramo, an Albuquerque, N.M., cardiologist and television medical reporter who recently won a local Emmy for a television documentary on domestic violence.

"Until just recently, domestic violence has been our nation's most destructive secret."

Other commission members include Chicago Police Chief Matt Rodriguez, Walt Disney Co. Executive Vice President John Cooke, psychologist Mary Ann Dutton of George Washington University's emergency medicine department, and Keith Geiger, president of the National Education Association.

Washington lawyer Marna Tucker will be named commission co-chair with Christopher Griffin of Tampa.

Rounding out the commission are Norfolk County, Mass., prosecutor Sarah Buel; Legal Services Corp. President Alex Forger; lawyer Lynn Gold-Bikin of Norristown, Pa.; top New York state Judge Judith Kaye; Anne Menard, director of the National Resource Center on Domestic Violence in Harrisburg, Pa.; Randolph Stone of the University of Chicago law school; and Rebecca Westerfield, a San Francisco lawyer.

In an interview, Mr. Bushnell would not address whether the announcement's impact would be greater because the O.J. Simpson trial is focused on his abuse of Nicole Brown Simpson.

He said his policy is to avoid even oblique references to the trial, but he noted that the commission stemmed from a report submitted 18 months ago.

"That it is timely is clearly something we can't control," Mr. Bushnell said.

He sees no conflict for ABA-member lawyers representing those charged with spousal violence.

"Everybody understands a lawyer's sworn duty to be a vigorous but ethical advocate," Mr. Bushnell said, joining Mrs. Ramo in focusing a spotlight on "a dirty little secret of our community life nationally."

"The community never understands or is concerned about spousal abuse," he said.

N.Y. Times; 2-8-95

Hunt for Savings Turns to Higher Costs for Affluent Beneficiaries of Medicare

By ROBIN TONER A16
Special to The New York Times

WASHINGTON, Feb. 7 — The Republican leaders of an influential House subcommittee indicated today that affluent Medicare beneficiaries were an early target in the hunt for savings in the insurance program for the elderly.

But spokesmen for groups representing the elderly signaled that they would not yield without a fight to what one called, in an echo of past battles, a "seniors-only tax."

The subject of the hearing before the Ways and Means Subcommittee on Health was the part of the Medicare program that covers doctors and outpatient services, known as Medicare Part B. Beneficiaries pay a monthly premium of $46.10 for the coverage, but officials testified today that this premium covered less than 30 percent of the cost of the program, with the rest subsidized by general tax revenues.

The question is whether the affluent elderly should be required to pay more of the true costs of that monthly premium. Representative Bill Thomas, Republican of California and chairman of the subcommittee, hinted that they should. "Should taxpayers who now fund more than three-quarters of the costs of the Medicare Part B benefits, subsidize other Americans who can well afford to pay more of the tab for their own care?" he asked.

Mr. Thomas added that the Part B program "is a major contributor to the deficit and therefore, without changes, a major impediment to balancing the budget in the next seven years."

But even Mr. Thomas mused aloud at the hearing this afternoon that "there's going to be some political expense to making this change."

Conservatives emphasized repeatedly that this would not be a tax, but the phasing out of a subsidy, and noted that the Clinton Administration proposed something similar in its health care restructuring package of a year ago.

But some advocates for the elderly testified today that the proposal was nothing more than a form of cost-shifting onto the elderly, rather than truly trying to bring health care costs under control. Margaret Dixon, president-elect of the American Association of Retired Persons, noted that there had been fierce resistance among retirees in 1989 to the notion of a "seniors-only" tax to finance catastrophic health care benefits for the elderly, legislation that was ultimately repealed.

"Aside from a higher threshold, we don't see the difference between that tax and the income-related premium being discussed today," Ms. Dixon said, "except that it would be considered 'catastrophic' without the benefits."

And Representative Pete Stark of California, the ranking Democrat on the subcommittee, argued that Republicans appeared to be headed in contradictory directions. Their Contract With America, he noted, promises to repeal the 1993 increase in the amount of Social Security benefits subject to income tax for higher-income retirees. These, he argued, are the same people who would have to pay more under the proposal to adjust the Medicare Part B premium for income.

"As we giveth with the right hand, we are now prepared to taketh away from the same group," Mr. Stark said.

The subcommittee was not yet talking about which incomes might be subject to pay more for the Part B coverage. But an analysis from the Joint Committee on Taxation estimated that beginning to phase out the subsidy for adjusted gross incomes of $50,000 for single taxpayers and $100,000 for married people filing jointly would raise $8.1 billion over five years.

IN THE LOOP

Wash. Post; 2-8-95

White House Dotting Glickman's i

By Al Kamen
Washington Post Staff Writer

The proposed nomination of **Henry Foster** to be surgeon general, which is quickly acquiring that feeling of impending doom, may not be the only one that is undergoing further review, sources say. The nomination of former Kansas congressman **Dan Glickman** to be secretary of agriculture, announced in December, has still not been sent to Congress for confirmation.

The White House says "not to worry." The extra time is so they can "dot every 'i' " that emerged in the FBI background check. The nomination is still on track, they insist.

Sources said the delay involves an allegation by a secretary in Glickman's congressional office—who since committed suicide—that another aide made nonbusiness-related travel arrangements for Glickman.

That allegation was investigated in 1993 by the House ethics committee, which apparently took no action. The White House wants to move quickly lest Glickman not be in place as debate begins on this year's all-important farm bill.

Last Exit to Nowhere in Cyberville

■ The White House lined up Immigration and Naturalization Service Commissioner **Doris Meissner** Monday to brief pro-immigration lobbyists on the INS budget and on the national computerized identification system being developed to prevent illegal immigrants from getting jobs and services.

Boosters of the computerized approach, such as the immigration reform commission headed by former congresswoman **Barbara Jordan**, say it is an effective way to deal with illegal immigration.

But nearly all those invited to the Old Executive Office Building briefing oppose the verification scheme, arguing that a lot of people will be harmed by government computer glitches. The briefing was to assure the groups—religious and ethnic organizations and the American Bar Association—that all would be fine, that their fears were misplaced.

The invitees waited for Meissner in the historic Indian Treaty Room. They waited 10 minutes, then another 10. **Doris Matsui**, deputy director of the White House public liaison office, did her best **Ed McMahon**, chatting amiably and promising that Meissner would be arriving momentarily.

And where was Meissner?

Seems she was literally cooling her heels in the frigid foyer of the Pennsylvania Avenue entrance, waiting for the proper information to be keyed into the computer so she could be cleared to go in. Several group representatives also waited for clearance.

The guards knew Meissner, sources said, because this snag seems to happen every time she tries to get into the White House. But they could do nothing. Some of those waiting hailed White House staff members they knew who happened to be walking by. But the aides could not escort them into the building without the computer's approval.

Finally, nearly a half-hour later, the computer allowed Meissner in. Other guests waited 40 minutes.

"Welcome to the information superhighway," a guard said as the last few filed in.

A River Runs Up to It

■ Speaking of immigration matters, it seems like only yesterday that **Silvestre Reyes**, El Paso sector chief of the U.S. Border Patrol, and western regional director **Gus de la Vina** were hanging out along the Rio Grande and Tijuana rivers respectively, hoping someday to get one of those plush offices with the formica paneling.

Yesterday, gussied up a bit, they were expected in the Oval Office no less, to meet with the president of the United States on politically sensitive border control questions.

When you're hot, you're hot.

Wanted in Washington: Used Texans

■ Somebody must see a growth industry for Texas Democrats out there. Word is the Washington-based law firm of Verner, Liipfert, Bernhard, McPherson and Hand is in negotiations with former Lone Star governor **Ann Richards**, who likely would work out of the firm's Austin or Houston offices. She would be joining already signed former treasury secretary and senator Lloyd Bentsen, another Texas native. Yet another Texas native, former D.C. administrator **Robert L. Mallett**, who worked for Bentsen in the Senate, has also signed up.

Sen. Stevens's Slip-Up or Slur?

■ More alliteration problems on the Hill? A spokesman for Senate Rules Committee Chairman **Ted Stevens** (R-Alaska) said last weekend that Stevens had made a mistake in saying, "I don't think there's a Chinaman's chance" of repealing a law that forces trade between his home state and the lower 48 states to be carried by U.S.-flagged ships.

"It was a slip of the tongue," the spokesman said of Stevens's remark during questioning by Alaska state legislators Friday. The phrase, which originated in the California Gold Rush practice of allowing Chinese immigrants to work only on unpromising gold veins, is today regarded by some as a slur.

"It is something he heard when he was in California as a child," the spokesman said, adding that Stevens had "not meant anything derogatory."

Intelligence Review Hires Staff Chief

■ **L. Britt Snider**, a former assistant deputy undersecretary of defense for counterintelligence and security and more recently general counsel of the Senate intelligence committee, has been named staff director of the Commission on the Roles and Capabilities of the U.S. Intelligence Community. Sen. **Patrick J. Leahy** (Vt.) has promoted longtime aide **Edward Barron** to be staff director for the minority Democrats on the Senate Agriculture Committee. Wall Street lawyer **Jeffrey M. Lang** is going to be nominated deputy U.S. trade representative, replacing **Rufus Yerxa**, who went private-sector in Brussels.

Wash. Post; 2-8-95

$14.6 Billion Sought to Fight Drugs

Proposed White House Strategy Would Raise Spending 9.7 Percent

By Pierre Thomas
Washington Post Staff Writer

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President Clinton's drug policy adviser, Lee P. Brown, yesterday released an updated drug control strategy that calls for a record $14.6 billion in spending and vowed to "fight like hell" to protect major components of the plan from the Republican-controlled Congress.

The "National Drug Control Strategy," which includes a 9.7 percent increase over last year's budget, continues to emphasize programs designed to reduce demand among hard-core users who have a disproportionate impact on crime, said Brown, director of the White House Office of National Drug Control Policy. It also calls for increased spending on law enforcement efforts directed at drug source countries.

But the Clinton plan, which represents a distinct shift in priorities from the drug strategies of the Reagan and Bush administrations, faces rough sledding in Congress, where Republicans have made clear their distaste for it.

Sen. Orrin G. Hatch (R-Utah), chairman of the Judiciary Committee, said yesterday that he remains skeptical of the administration's strategy. "I think anyone would conclude the Clinton administration has failed to show leadership," Hatch said in a telephone interview.

"We are losing precious ground," he said, referring to recent reports documenting an upsurge in drug use among teenagers.

Brown emphasized that last year's anti-crime bill, now under attack by Republicans in Congress, plays a critical role in the national strategy and said he and the administration would fight to keep it intact.

"It would be a real disservice to the American people to dismantle" the crime bill, Brown said. "It would have a detrimental effect."

Last week, the House Judiciary Committee endorsed a broad new crime bill that would reduce or replace some of the elements that Brown sees as crucial, including funds for 100,000 new police officers, specialized drug courts and prevention programs.

Hatch said that he recently told Brown he was "not pleased" with the administration's anti-drug efforts. He pointed to the administration shift of some resources from interdiction in drug transit zones and questioned the increasing attention given to hard-core users. "We have limited funds," Hatch said. "We should focus on first-time users and those who have a reasonable chance for success."



LEE P. BROWN
... will "fight like hell" for program

Administration officials have criticized the lack of congressional support for their anti-drug efforts.

The proposed strategy allocates $9.3 billion for supply reduction through interdiction, and international and domestic law enforcement. The $963.6 million increase for supply reduction efforts boosts its share of the budget to 64 percent, compared with 59 percent last year. Part of the funding would go to curbing burgeoning heroin use.

The president's strategy would boost spending for treatment and prevention by $321.9 million to $5.3 billion. Demand reduction represents 36 percent of the budget, compared to 41 percent last year. The budget proposes to increase spending on drug treatment by $180 million to $2.8 billion.

Administration officials said their efforts are aimed at reducing the gap between those receiving treatment and those who find it unavailable. Treatment is available to 1.4 million of the 2.4 million people who need it, according to administration officials. Under the administration plan, special emphasis is placed on treating the hard-core drug users who account for nearly two-thirds of drugs consumed in the United States.

Some drug experts applauded the administration's efforts. "I'm pleased," said Eric A. Voth, chair of the International Drug Strategy Institute, a Chicago-based organization of physicians, attorneys and prevention specialists. "You really need a three-legged approach: aggressive interdiction, treatment and broad-based prevention."

Others said the strategy did not go far enough. "The administration needs to make a more effective argument for treatment and prevention," said Mathea Falco, president of the Washington based, nonprofit Drug Strategies.

Wash. Post; 2-8-95

New Therapy for Manic Depression

Associated Press

Scientists have recommended that the Food and Drug Administration approve an epilepsy drug to treat manic depression, making it the first new drug for the devastating mental illness in 25 years.

After examining the results from 21-day trials, an FDA advisory committee ruled Monday that Depakote, made by Abbott Laboratories, proved safe and effective in treating manic depression.

More than 2 million Americans suffer from manic depression, a chronic disease involving wide mood swings and cycles of hyperactivity and depression. An estimated two-thirds receive no treatment.

Lithium, approved 25 years ago, is the only drug specifically approved to treat manic depression. But as studies in recent years began indicating the epilepsy drug Depakote might work, some physicians began prescribing it.

While the FDA is not obligated to follow advisory committee rulings, it usually does.

Wash. Times; 2-8-95

Clinton ups ante on illegal aliens

He plans to target specific industries

By J. Jennings Moss
THE WASHINGTON TIMES

President Clinton yesterday issued a directive calling for a crackdown on employers of illegal aliens and more money to thwart illegal entry into the United States.

Mr. Clinton proposed spending $1 billion more for fighting illegal immigration in fiscal 1996 than in 1995, but some on Capitol Hill say his administration has not devoted enough attention to the issue.

"It is wrong and ultimately self-defeating for a nation of immigrants to permit the kind of abuse of our immigration laws that we have seen in recent years," the president said. "There is too much of it and we must do much more to stop it."

He and Attorney General Janet Reno tried to contrast what the Clinton administration has done about illegal immigration with what Republican administrations had accomplished.

"Two years ago, very little was being done to reduce the magnet that draws illegal immigrants here in the first place — the opportunity for a job in the United States," Miss Reno told reporters after meeting with Mr. Clinton.

"That's what I inherited two years ago. The borders were not being secured because they could not be. The necessary resources were not being allocated," she said. "I don't think that the mission of the Immigration and Naturalization Service [INS] had been taken seriously."

According to administration documents, initiatives in El Paso, Texas, have reduced apprehensions of illegal aliens by 72 percent, while those in San Diego have dropped by 25 percent.

On Sunday, Mr. Clinton announced he was beefing up border control activities around Nogales, Ariz., because apprehensions of illegal aliens had risen 59 percent in recent months.

In his new directive, Mr. Clinton ordered various federal departments to work on a four-pronged strategy to protect U.S. borders, guard American workers' interests, remove more criminal aliens and provide more funds to states with major immigration problems.

The Clinton budget released Monday proposes spending $369 million more on border control in 1996, including hiring of 700 new Border Patrol agents and more than 1,000 INS and customs inspectors. The biggest chunk of the budget for immigration issues is $383 million in aid to the states.

Rep. Duncan Hunter, California Republican, criticized the Clinton border initiatives, saying the proposed increase in border agents would raise the number of Border Patrol personnel to only 5,600.

"Ten thousand agents would allow us to station several agents every 200 yards on a 24-hour-per-day basis, across every smugglers' corridor in the Southwest," Mr. Hunter said in a statement. "I don't understand why the president does not address this problem with an adequate increase."

Republicans also have criticized an administration proposal to impose entry fees at the U.S. border crossings with Canada and Mexico of $1.50 for pedestrians and $3 for cars. Miss Reno defended the proposal yesterday and likened it to entrance fees at airports and toll roads.

Administration officials placed a special emphasis yesterday on targeting industries that have a reputation for hiring illegal workers. Labor Secretary Robert Reich said the worst offenses are in the garment trade but problems also fester in the agriculture, restaurant, custodial and construction industries.

"It's no secret why illegal immigrants come to the United States — they want a job. And there are unscrupulous employers who know it," Mr. Reich said. "This administration is not going to tolerate sweatshops or working conditions that are like sweatshops."

The administration plans to spend $93 million more next year to improve enforcement of labor laws.

"I don't understand why the president does not address this problem with an adequate increase."
— Rep. Duncan Hunter

Wash. Post; 2-8-95

Locality Pay to Be Reviewed as Budget Issue

By Stephen Barr
Washington Post Staff Writer

Rep. John L. Mica (R-Fla.), chairman of the House civil service subcommittee, said yesterday he plans to conduct a review of federal employee compensation and benefits, including the "locality pay" formulas designed to boost government wages in 27 areas of the nation.

"We're definitely looking at it," Mica said of locality pay, in part as a budget-related issue. But he said he could not predict whether the subcommittee review would be completed in time to make recommendations to House Budget Committee Chairman John R. Kasich (R-Ohio), who intends to present a GOP budget featuring deep spending cuts this spring.

Mica's remarks came during a break in a hearing on the Clinton administration's restructuring of the Office of Personnel Management (OPM). Congressional aides said later that the review grew out of the House Republican search for budget savings and from Mica's desire to conduct oversight hearings on compensation issues. "It is not our stated intention to cut federal pay in 1996," a GOP staff member said. "But we do want to look at some of the pay-setting mechanisms."



The locality pay review may not be completed in time for the GOP budget, but "we're definitely looking at it."

—Rep. John L. Mica (R-Fla.)

Locality pay—crafted by a Democratic Congress and the Bush administration—is intended to help close the "pay gap" between white-collar federal workers and private-sector employees in areas where nonfederal wages for similar jobs are higher than government pay. During the last two years, Washington area employees received locality raises totaling 5.45 percent.

Formulas setting locality pay rates are based on surveys by the Bureau of Labor Statistics. In its first budget, the Clinton administration contended that the methodology used to calculate locality pay was flawed, in part because of problems in matching federal job descriptions with private-sector counterparts. One internal administration analysis said pay for some federal jobs would end up being too high.

The president's last two budgets have been silent on the issue, but Congress has appropriated money to keep locality pay alive, although not in the amounts needed to match what the Federal Employees Pay Comparability Act requires.

Yesterday's hearing did not delve into federal pay policies, but focused on a proposed reorganization of OPM and the estimated $30 million in budget savings that the Office of Management and Budget expects OPM to generate by "privatizing" its investigations of employees and training offices.

Mica read from letters that he has received from three agencies raising questions about the plan. The Treasury Department, for example, said the proposal "would have a significant adverse impact upon our suitability and security program."

Mica, saying he wanted to ensure that the proposal would save taxpayer dollars, pressed OPM Director James B. King about how the savings would be obtained. King said the questions would be referred to White House budget officials and he noted that agency plans were at an early stage.

But he stressed that OPM has undergone "significant downsizing" since his arrival 22 months ago. OPM's staff has been cut from 6,944 to 5,341 employees, King said, with about 40 percent of the reduction in supervisory and middle management ranks.

Subcommittee members did not seem interested in abolishing OPM—a step some critics have urged—and two witnesses—former OPM directors Constance Horner and Donald Devine—said the government needs a central personnel office to oversee and protect the integrity of the civil service system.

THE FEDERAL DIARY

Wash. Post; 2/8/95

Revamping Reinvention?

By Mike Causey
Washington Post Staff Writer

When a couple of 800-pound gorillas go at it, bystanders need to be careful to stay out of the way. That's the fix that civil servants and retirees are in.

Democrats and Republicans are doing lots of chest thumping in a contest to cut costs and make political points by downsizing and taming everybody's favorite whipping boy—the federal bureaucracy.

Lots of people think the Republican takeover of Congress will speed up the downsizing of government begun by the Clinton administration.

But there is a good chance that ideological differences and political turf battles will slow the pace of "reinventing" government—even as more federal employees go out the door.

Key congressional Republicans have made it clear that they want to study, and maybe reinvent, the reinvention effort. A key staff member of the Senate Governmental Affairs Committee told representatives of public employees that a revamped civil service reform proposal would be developed "for the next president." Some GOP politicians are also concerned about the economic effect of dumping thousands of federal workers into unemployment lines all over the country. Many new jobs are being created in the private sector, but many of them are either high-tech computer-age positions or much lower-paying hamburger flipper spots in the service industries.

Downsizing is likely to continue at a good pace. **President Clinton** shaved two years off his timetable for chopping 252,000 federal workers from the payroll. Some GOP cutters want to double that number.

But as Republican newcomers and veterans become familiar with their new congressional committee assignments and the power of being the majority party, they will want to reexamine reorganizations in the works. The goals are to see whether they make sense, go too far or not far enough and to examine the political motivations behind them.

Some ongoing federal programs, especially those of a social nature, may be reinvented out of business. Even if Republicans decide against tackling affirmative action programs on a national basis, they almost certainly will delete funds from agency budgets for diversity training and preferential job programs in federal agencies.

Reinvention will continue, but the pace, and direction, could change dramatically as Republicans relearn how to control the purse strings.

Transit Subsidy

President Clinton has come down on the side of people who take public transportation to work by proposing a fee increase for those who park at the office. Thousands of federal workers already enjoy transit subsidies. Agencies can give employees as much as $60 a month tax-free to be used for public transportation. Agencies don't have to give employees the full $60—or anything at all—but they can, and many do.

In his budget, the president asked the General Services Administration to devise a plan that would charge federal workers the going rate for commercial parking in their areas. Under current law, agencies are supposed to compare the value of parking they provide to workers with commercial parking rates. Any amount greater than $160 a month is considered taxable income to the person assigned that parking space.

Clinton's plan apparently would require agencies to charge employees who park the full commercial rate, with some or all of that money to be used to provide transit subsidies for employees who ride the bus or subway to work. The White House is one of the many federal agencies that provide transit subsidies for employees—but only to lower-paid staff members. The price tag for parking at 1600 Pennsylvania Ave. could be substantial—if commercial rates were applied—adding to the out-of-pocket costs of White House aides with nearby parking privileges.

N.Y. Times; Balt. Sun; 2-8-95

Study Rebuts 'Acceptable' Midlife Weight Gain

By JANE E. BRODY

WOMEN who gain 10 to 40 pounds in midlife, an amount considered acceptable and even desirable under current guidelines, have a seriously increased risk of suffering a heart attack, a new study has found.

In a 14-year study of nearly 116,000 women, researchers from the Harvard School of Public Health and Harvard Medical School found that weight gains of even 11 to 18 pounds in adult life resulted in a 25 percent greater chance of suffering or dying of a heart attack compared with that faced by women who gained less than 11 pounds after the age of 18.

With each increment of weight, the study showed, the coronary risk rose — to a 60 percent increase for weight gains of 18 to 25 pounds, and to a 200 to 300 percent increase for weight gains above 25 pounds.

The findings are being published today in The Journal of the American Medical Association.

Over all, there were 1,292 nonfatal or fatal heart attacks among the 115,818 women in the study. The rate for the leanest women with the lowest risk was 106 heart attacks per 100,000 woman-years. (One woman-year represents the experience of one woman over the course of one year.)

"The current guidelines are very misleading to women," Dr. Walter C. Willett, the study's principal investigator, said in an interview. "We found that excess weight accounted for nearly 40 percent of the heart disease experienced by the women we studied. And two-thirds of that risk was from weight gained after age 18. There's no reason to think it's good to gain weight at age 35, as indicated by the guidelines."

He and his co-authors stated, "The guidelines provide false reassurance to the large fraction of the population who are not defined as overweight, but who are at substantially increased risk of coronary heart disease." The lowest risk was found among women whose weights were below, but not excessively below, the range of desirable weights in the current guidelines.

These guidelines, issued in 1990 by the United States Departments of Agriculture and Health and Human Services, established 130 to 167 pounds as an acceptable weight range for an adult 35 and older who is 5 feet 6 inches tall, the average height for American women. The lower end of the weight range is suggested to apply to women and the higher end weight to men. Adults from 19 to 34 are advised to weigh considerably less, 118 to 155 pounds.

The current range for women in midlife represents an increase from the 1985 guideline, which suggested that 118 to 150 pounds was an acceptable weight range for a 5-foot, 6-inch-tall woman over 25 (for men of this height, the 1985 range was only slightly higher, 121 to 154 pounds). The 1985 guidelines, which were based on the 1959 Metropolitan Life Desirable Weight Table, did not suggest that it was desirable to gain more weight in midlife.

"The current guidelines strongly imply that it's good to gain weight as women get older," Dr. Willett said. "But we found that the lowest risk of developing coronary heart disease was in women who were underweight according to the current guidelines. They were lean and fit at age 20 and they remained so into midlife and beyond."

The same is true for men, said Dr. William Castelli, director of the Framingham Heart Study. That study, which has followed thousands of residents of Framingham, Mass., for more than 40 years, showed that significant weight gain after 25 was "a bad risk factor" for both men and women, Dr. Castelli said.

"In fact," he added, "I think excess weight is the worst coronary risk factor for men and women because it leads to unfavorable changes in blood fats, blood pressure and blood sugar, all of which increase the risk of heart attack." Dr. Willett noted that even at weights "generally not considered to represent overweight" there were bad effects on blood pressure, blood sugar and blood fats.

Dr. JoAnn Manson, co-director of women's health at Brigham and Women's Hospital in Boston and a co-author of the new study, said, "If anything, weight gain in men is worse than it is for women because men tend to put on weight in the upper body, which is associated with high blood pressure, diabetes, coronary heart disease and stroke." Women more commonly gain weight below the waist, which has less of an effect on coronary risk factors.

The Government offices that advise Americans about diet are acutely aware of these matters. William Grigg, news director of the Public Health Service, said that when the fourth edition of "Dietary Guidelines for Americans" is published at the end of this year, "the new weight advice will reflect the concerns of Dr. Willett and others about the advisability of gaining weight with age."

Dr. Castelli said, "It is folly to tell Americans it's O.K. to weigh more when the people who meet the ideal weights in the old 1959 Metropolitan Life Table do the best." This table listed "desirable" weights for men and women by height and frame size based on actuarial data from the insurance company. The weights in the 1959 table are close to those recommended by the Public Health Service in the Dietary Guidelines published in 1985.

Both Dr. Castelli and Dr. Willett said they believed that the current weight guidelines were improperly developed. They pointed out that the data on which the guidelines were based failed to take into account the fact that there were many smokers among the thinnest people and that smokers have much higher death rates than nonsmokers. The data also failed to consider that many people lose weight when they have a fatal illness, they said, and these people should have been omitted from the study.

"When you control for smoking, you find that thinner people live the longest," Dr. Castelli said. "Skinny smokers have nine times the death rate of skinny nonsmokers. Many smokers are reluctant to quit because they say they'll gain weight, but if they did quit and got fat, they would still cut their death rate in half in the next 30 years."

The findings by Dr. Willett and his colleagues were derived from their continuing Nurses' Health Study, which in 1976 enrolled 121,700 women from 30 to 55 years old who were registered nurses. Of that group, 115,818 had no known coronary disease and were not pregnant at the time, and these are the women from whom the new findings were derived.

The women's weights at the start of the study and the amount of weight they had gained since the age of 18 were directly linked to their chances of suffering a heart attack during the follow-up period. In making this association, the researchers first took into account other factors that were independent of weight but could influence the women's coronary risk: age, smoking habits, menopausal status, the use of postmenopausal hormones and parental history of heart disease.

Dr. Willett said the nutrient composition of the women's diets, notably the percentage of calories from fats, had little effect on their weights. "People may lose weight on a low-fat diet, then gain it back again by eating more carbohydrates," he said. "Overeating is, of course, part of the problem of weight gain, but controlling overeating is almost always doomed in our food-focused society."

The crucial factor in controlling weight gain, Dr. Willett maintains, is exercise, not dieting. "People who exercise regularly can maintain their weight," he said, adding that very few of the nurses in the study had a regular exercise regimen.

"Women aged 20 to 50 are very busy with their families and careers and they don't take optimal care of themselves," he said. "They're not carving out that 20 minutes a day for exercise." He suggested instead that they build activity into their life's routines like "riding a bike to work or pedaling a stationary bike while watching TV" and make modest adjustments in their diets.

He noted that among the nurses studied, 80 percent were lean at 18, so their excess weight in midlife was not predetermined by adolescent obesity. Over all, for every 2.2 pounds of weight the women gained after 18, their risk of suffering a heart attack rose by 3.1 percent. But for the relatively few women who lost weight after 18, there was no increase in coronary risk.

How Weight Guidelines Changed

Desirable body weight ranges issued by the United States Departments of Agriculture and Health and Human Services. In 1990 men and women were grouped together and broken down by age, suggesting that it is desirable for women over 35 to gain weight. Heights are without shoes, weights are without clothes.

1985			1990		
HEIGHT	MEN	WOMEN	HEIGHT	19 TO 34	35 AND OVER
4'10"		92–121			
4'11"		95–124			
5'0"		98–127	5'0"	97–128	108–138
5'1"	105–134	101–130	5'1"	101–132	111–143
5'2"	108–137	104–134	5'2"	104–137	115–148
5'3"	111–141	107–138	5'3"	107–141	119–152
5'4"	114–145	110–142	5'4"	111–146	122–157
5'5"	117–149	114–146	5'5"	114–150	126–162
5'6"	121–154	118–150	5'6"	118–155	130–167
5'7"	125–159	122–154	5'7"	121–160	134–172
5'8"	129–163	126–159	5'8"	125–164	138–178
5'9"	133–167	130–164	5'9"	129–169	142–183
5'10"	137–172	134–169	5'10"	132–174	146–188
5'11"	141–177		5'11"	136–179	151–194
6'0"	145–182		6'0"	140–184	155–199
6'1"	149–187		6'1"	144–189	159–205
6'2"	153–192		6'2"	148–195	164–210
6'3"	157–197		6'3"	152–200	168–216
			6'4"	156–205	173–222
			6'5"	160–211	177–228
			6'6"	164–216	182–234

A bathroom scale shows coronary risk.

USA Today; 2-8-95

Middle-age spread raises heart risk

By Nanci Hellmich
USA TODAY

When revised weight guidelines released in 1990 said it was OK to put on a few pounds in middle-age, people cheered.

But a report in the *Journal of the American Medical Association* challenges those guidelines, saying even modest weight gains in adulthood raise women's heart attack risk.

Researchers with Brigham and Women's Hospital and Harvard Medical School reviewed data on 115,818 women who were part of the Nurses' Health Study. They found:

- Women who weighed at least 15% below the midpoint weight on the weight chart, and those who gained fewer than 10 pounds in adulthood, had the lowest risk of heart attack.
- Even modest weight gains of 12 to 15 pounds during adult life increased the risk.

"The current weight guidelines are about 15% heavier than they should be," says researcher Dr. JoAnn E. Manson.

The researchers controlled for smoking and family history, but not for diet and exercise.

Some experts are cautious. "You have to be careful interpreting statistical studies," says John Foreyt, Baylor College of Medicine, Houston. While thin is better than fat, he says, "we should try to achieve whatever is reasonable for us. And those dietary guideline weights are good for most of us."

But Dr. George Blackburn, Deaconess Hospital, Boston, says this is more proof that heavy isn't healthy. "There is no doubt that evidence giving women and men a license to gain weight is not there."

Wash. Post; 2-8-95

U.S. Guidelines for Weight May Be Lax, Study Suggests

Risk of Heart Disease Rises Steeply With More Pounds

Associated Press

CHICAGO, Feb. 7—Middle-aged women should weigh far less than most people think, and than the government recommends, in order to have healthy hearts, Harvard researchers say.

New findings from a study of more than 115,000 nurses strongly indicate that U.S. weight guidelines are too lax and encourage obesity in both men and women, the researchers reported.

"We found that about 40 percent of all heart attacks that occur in middle-aged women are due to overweight," said JoAnn E. Manson, co-director of women's health at Harvard-affiliated Brigham and Women's Hospital in Boston. She said similar results are found in men.

The study showed that women of average weight had about a 50 percent higher risk of heart attack than women who whose weight was 15 percent less than the average U.S. weights for women.

And women who gained 10 pounds or less in early to middle adulthood had the lowest risk of heart attacks, the researchers reported in the Feb. 8 issue of the Journal of the American Medical Association.

With greater weight gains, the risk rose steeply, the researchers found. For instance, a woman who weighed 130 pounds at age 18 would increase her risk of heart disease by 25 percent if she gained as little as 11 pounds later in life. If her weight rose to 155, her risk would almost double. If it rose to 172 pounds or more, the risk would be more than 2½ times greater than if she had maintained her weight at 130.

"I don't want to be scaring people with these findings, but we have been overly complacent about obesity and weight gain in adults," Manson said by telephone Monday.

The federal government in 1990 revised its guidelines upward for desirable weights, saying Americans over age 35 could be considered healthy at significantly heavier weights than had been recommended under 1985 guidelines.

The 1990 revisions were based on life insurance data that failed to account for the fact that many lean people were smokers or had life-shortening illnesses, Manson said.

"The current federal weight guidelines are in a sense encouraging the fattening of America," Manson said, noting that one in three adults is obese. "They're recommending weights that are at least 15 percent higher than the optimal weights for health."

While cautioning against overreaction to the findings, she recommended increasing physical activity, lowering the fat content and calorie content of the diet and eating more fruits, vegetables and grains.

Increases in body fat are linked with increases in the risk of high blood pressure, abnormal blood cholesterol levels, heart attacks, strokes and some cancers, including colon, breast, ovarian, uterine, and in men, prostate cancer.

Bill Grigg, a spokesman for the Department of Health and Human Services, said the 1990 guidelines were based on the best data available at the time.

A revision that includes input from the Harvard researchers will be out at the end of the year, Grigg said.

Walter C. Willett, who led the study, said the 1990 guidelines suggest that gaining 10 to 15 pounds in middle age is healthy.

But the study found that regardless of a woman's weight at age 18, putting on more than 10 pounds afterward is linked to greater risk of heart disease.

Diane E. Wallis, a cardiologist at Loyola University Medical Center in the Chicago suburb of Maywood, said the Harvard team's findings are supported by many other studies.

WOMEN, WEIGHT AND HEART RISK

A new study suggests that women who gain more than 10 pounds after the age of 18 face increased risk of heart disease.

WEIGHT GAIN AFTER AGE 18	RISK OF HEART DISEASE
Less than 11 lbs.	Normal risk
	Risk increases:
11-17 lbs.	25%
18-24 lbs.	65%
25-41 lbs.	92%
42 lbs. or more	165%

SOURCE: Journal of the American Medical Association

THE WASHINGTON POST

USA Today; 2-8-95 70

DRUG STUDIED FOR MS: Early tests of the experimental drug copolymer one show that it reduces multiple sclerosis flare-ups by one-third. That makes it nearly as effective as beta-interferon, approved last year by the Food and Drug Administration. Says researcher Ruth Arnon: "We think it is possible that, when used together, they will have a combined, and even synergistic, effect."

Wall St. Jrnl.; 2-8-95

FDA Approves Pfizer Drug BQ

NEW YORK – Pfizer Inc. said the company's high blood pressure medication Cardura, or Doxazosin mesylate, has been cleared by the Food and Drug Administration for marketing as a treatment for benign prostatic hyperplasia.

N.Y. Times; 2-8-95 p. 1

So It May Be True After All: Eating Pasta Makes You Fat

By MOLLY O'NEILL

Bye-bye, pasta. It's been fun. But some diet experts who have been extolling the health benefits of low-fat, high-carbohydrate foods are now backtracking. Starchy foods, they suspect, actually contribute to obesity.

"In the 60's, starch was the enemy, then sugar, then salt, then cholesterol, then fat," said Cathy Nonas, the director of the Theodore Van Itallie Center for Weight Control at St. Luke's-Roosevelt Hospital Center in Manhattan.

And now starch is looking like the enemy again. Weight-loss experts and obesity researchers are studying the role played by insulin (a hormone produced by the body to process sugar and starches like those found in white bread, pasta and processed "nonfat" snacks) in weight gain.

The pendulum of weight-loss wisdom is constantly swinging, leaving behind some lasting scientific fact and some misbegotten notions. Few researchers question the health benefits of a low-fat diet, but many are beginning to wonder if a high-carbohydrate regime is appropriate for everyone, particularly overweight people and the "insulin resistant," those who overproduce insulin after eating sugar or starches. Researchers estimate that at least 25 percent of the United States population may be insulin-resistant.

The insulin-resistant respond to starches or sugar by overproducing glucose, which in turn causes an overproduction of insulin, a hormone responsible for a wide range of metabolic activities including determining how much of the glucose will be used immediately as energy and how much will be stored as fat; the regulation of triglycerides, and perhaps even the stimulation of appetite.

"The more insulin your body produces the more likely it is that you will convert dietary calories into

Cont'd on next page

N.Y. Times; 2-8-95

Illness Raises Concern On Herbal Preparations

By JANE E. BRODY

THE near death of a woman from the chronic use of an herbal preparation has again raised questions about the wisdom of self-treatment with plant products that have not been fully tested for safety and effectiveness.

In a report in today's issue of The Journal of the American Medical Association, doctors from the University of Chicago Hospitals described a case of liver and kidney destruction resulting from the ingestion of an herbal product called chaparral. The 60-year-old woman had been taking chaparral, among other herbal products, for the previous 10 months in the hope that its antioxidant properties would counter her coronary artery disease.

Shortly before she developed severe jaundice and kidney and liver failure she had increased her daily dosage of chaparral from one or two to six capsules a day. Chaparral, prepared by grinding the leaves of a desert shrub known as the creosote bush or greasewood, has been used as a medicinal tea by native Americans. It was removed from the Food and Drug Administration's "generally recognized as safe" list in 1970 after animal studies revealed damage to kidneys and lymph organs.

In 1992, after four reports of liver toxicity associated with chaparral, the agency warned against the use of any products containing chaparral. At the agency's request, the National Nutritional Foods Association, a trade association, asked member companies to stop distributing such products.

Still, chaparral was readily obtained by the Chicago-area woman, who required a liver and kidney transplant to survive. Despite ever-worsening symptoms before the complete failure of her liver, the woman denied having taken any drugs or nutritional supplements other than the ones prescribed by her doctor for her heart disease.

In an editorial in the journal, Dr. Raymond S. Koff of Metrowest Medical Center in Framingham, Mass., said many herbal products were toxic to the livers of humans, including germander, comfrey, mistletoe, skullcap, margosa oil, maté tea, Gordolobo yerba tea and pennyroyal. He also cited seven recent cases of hepatitis caused by the use of a Chinese herbal product called Jin Bu Huan.

from previous page

body fat," said Dr. Dean Ornish, the author of "Eat More, Weigh Less" (HarperCollins, 1993), a low-fat eating regime.

Dr. James Hill, the associate director of the Center for Human Nutrition and an obesity expert at the University of Colorado in Denver, said, "We may have gone too far with the low-fat emphasis."

In the last decade, Americans cut their fat intake from 36 percent of their average daily calories to 34 percent, he said. Nevertheless, they also gained about eight pounds a person.

"People can get fat on a high-fat diet," he said, "but people can get fat on a diet high in carbohydrates, too."

In weight-loss clinics, the anecdotal evidence is overwhelming, said Dr. Stephen Gullo, whose holds Ph.D. in psychology and is the director of the Institute for Health and Weight Sciences in Manhattan. Dr. Gullo, who has treated 10,000 overweight

NEW RISK SEEN IN GAINING WEIGHT

A new study has found that women who gain 10 to 40 pounds in midlife have a seriously increased risk of suffering a heart attack, *page C11.*

patients, said that over the last five years the question he has been asked most frequently is, "How did I gain weight on a low-fat diet?"

To answer this question, Dr. Gullo, along with other clinicians and obesity researchers, considered the fact that rather than replacing dietary fat with complex carbohydrates like vegetables and fruits, many were reaching for simple carbohydrates like starch and sugar.

This realization led some researchers to revisit the scientific literature about the functions of insulin and to suspect that many dieters may be insulin-resistant. In addition, new research detailing the effects of insulin on athletic performance has provided more insight into how the hormone is used.

"Insulin resistance was helpful historically because it enabled people to survive extended periods of caloric deprivation," said Dr. Gerald Reaven, a professor at Stanford University Medical School who has studied insulin for three decades.

Historically, he said, during times of feast, the body overproduced insulin in order to stimulate the liver to convert glucose into fat that could be stored for times of famine. Without the overproduction, the glucose would be fuel for muscles and organs, so insulin resistance allowed people to weather lean times. But in extended periods of caloric excess like the present age of abundance, Dr. Reaven said, "insulin resistance becomes a problem."

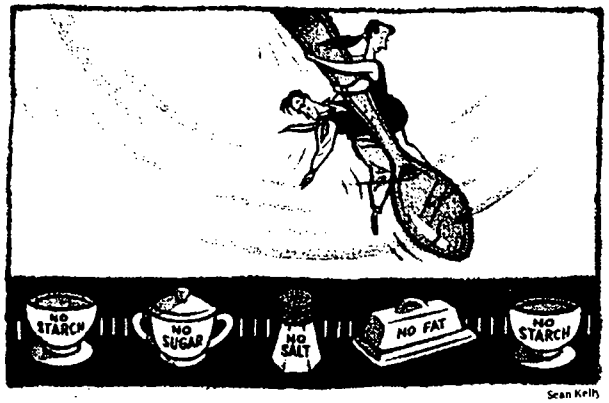
Or a cluster of problems. In his studies, Dr. Reaven has found that insulin-resistant people can develop glucose intolerance, high insulin levels, high triglycerides, low HDL cholesterol (the "good" cholesterol), hypertension and Type II diabetes, a constellation he calls "syndrome X."

Dr. Reaven says that about 25 percent of Americans who do not already have diabetes are insulin resistant.

For this population, "it is nearly impossible to lose weight by replacing a proportion of dietary fat with simple carbohydrates," said Dr. Artemis P. Simopoulos, the former chairwoman of the nutritional coordinating committee of the National Institutes of Health and currently the president of the Center for Genetics Nutrition and Health in Washington.

She added: "Insulin resistance is associated with obesity, and for many years it was thought to follow obesity. Today we know that in many cases, insulin resistance *precedes* obesity as well as some other diseases." In June, Dr. Simopoulos will be a co-chairwoman of a panel on insulin resistance and chronic disease at the National Institutes of Health.

Dr. Richard Heller, a professor of pathology at the Mount Sinai School of Medicine and author, with his wife, Dr. Rachel Heller, of "The Carbohydrate Addict's Diet" (Signet, 1993), said: "The majority of overweight people are insulin resistant. Carbohydrates are the worst thing they can eat because it causes them to overproduce insulin, which stimulates appetite, encourages the production of body fat and, over the long term, has serious health implications."



Sean Kelly

Faulting low-fat high-starch diets.

His conviction is echoed by Drs. Mary Dan and Michael Eades, who over the last decade have treated 4,000 insulin-resistant patients at the Arkansas Center for Health and Weight Control, their clinic in Little Rock.

"For these patients," Dr. Mary Dan Eades said, "even the carbohydrates in vegetables have to be carefully monitored for weight loss, and generally the protein has to be increased."

Indeed, last year, the American Diabetes Association began to recommend that diabetics, the most insulin-resistant segment of the population, monitor their blood-lipid levels closely under certain conditions.

"A significant minority of diabetics have trouble when they consume over 50 percent of their daily calories in carbohydrates," said Dr. F. Xavier Pi-Sunyer, who was the president of the American Diabetes Association last year and is currently the director of the division of endocrinology, diabetes and nutrition at St. Luke's. Most clinicians who work with dieters agree that a common mistake for many people is to reach for starch and sugar. Many assume that "nonfat" means "nonfattening," said Dr. Ornish, whose low-fat program advocates eating larger quantities of complex carbohydrates like vegetables but fewer simple carbohydrates like honey, sugar, white flour and alcohol.

"The week that Entemann's rolled out its fat-free desserts, a number of our patients gained weight," he said. "They thought that as long as they were eating something fat-free, they could eat as much as they wanted."

This confusion was encouraged by the popular idea that fat calories were more potent and harmful than those derived from carbohydrates. Early in the low-fat decade, this belief was fueled by research showing that dietary fat was more easily converted than carbohydrates into body fat. While few scientists dispute those findings, many now say the phenomenon is less significant in people's bodies than it is in the biochemist's laboratory.

"Metabolically, the difference between conversion of fat or any other food is so minute as to be largely irrelevant to dieters," said Dr. Rudolph Leibel, an obesity researcher at Rockefeller University in Manhattan, who has compared patients given liquid formulas whose calories were derived predominantly from fat to ones given liquid formulas lower in fat and higher in carbohydrates. He found that both groups maintained their weight.

"Both formulas had the same calorie content," he said. "A calorie is a calorie."

This fact was often forgotten in the call, "Pasta — hold the oil." But like many obesity researchers, Dr. Leibel is not convinced that calorie-amnesia alone explains "the poor performance of the low-fat diet for the overweight."

Research suggest that "after a while, the body begins to compensate for the absence of fat in the diet by becoming more efficient in converting other food sources into body fat," he said. And clinicians who work closely with dieters suspect the same.

"People simply do not lose weight if they eat large quantities of pasta or rice," said Dr. Louis Aronne, the director of the Comprehensive Weight Control Center at New York Hospital-Cornell Medical Center in Manhattan. Like many clinicians, Dr. Aronne believes that what is needed is not a wholesale return to high-protein foods, but a shift away from simple carbohydrates like starches and sugars toward complex carbohydrates, like vegetables, that are rich in fiber. To encourage such a shift, Weight Watchers recently introduced a "Fat and Fiber" program, which monitors both elements.

"Low-fat doesn't necessarily mean low-calorie," said Linda Garilli, the general manager of corporate affairs for Weight Watchers International in Jericho, L.I., "but if they count fat grams along with fiber, particularly the fiber in fruits and vegetables, they get a leaner, healthier way of eating."

And as some begin to suspect that pasta is not as innocent as it so recently seemed, the commercial bedrock for popularizing high-carb trepidation is being laid as securely as the groundwork for fear-of-fat was laid over a decade ago.

A wave of insulin-aware diet books will be published this spring. Next month, Dutton will publish the Hellers' "Healthy for Life." Dr. Gullo's book, "Thin Tastes Better: Control Your Trigger Foods and Lose Weight Without Feeling Deprived," is being published in April by Crown.

In June, Dr. Barry Sears, a medical researcher whose dietary recommendations based on insulin production helped the Stanford University varsity swimming team win the college championships will publish his regime in "The Zone."

In six years of researching the metabolic pathways of insulin, Dr. Sears worked with hundreds of world-class athletes to develop a diet that is lower in starch and higher in protein than has been common at training tables in over a decade.

"Athletes have to have the most efficient oxygen transfer possible to achieve 'the zone,'" he said, using the word that athletes use to describe peak performance. "We used diet to calibrate insulin and insure a peak performance."

With clearly distilled science and a detailed eating plan for peak performance, "The Zone" could do for insulin awareness what the Pritikin diet did for low-fat eating.

At the very least, insulin will enter the vocabulary of dieters and athletes, said Ms. Nonas at the Theodore Van Itallie Center for Weight Control. "Insulin resistance is simply more evidence that diets have to be individualized," she said. "But people tend to grab every 'new answer.'"

In the center aisles of supermarkets and fast-food emporiums, the pickings will be slim for the insulin-aware. "It is simply not possible to make a cookie that is suger-free, fat-free and starch-free," Dr. Simopoulos said. "And it is also not possible to patent vegetables, fresh meat or fish."

Wash. Post; 2-8-95

ANN LANDERS

DEAR ANN LANDERS: My son was diagnosed with cancer in December 1993. "John's" cancer responded well to treatment. During his treatment, he aired some grievances with me and his father that he had held back for years.

His father and I are divorced. John talked to each of us separately. I understood what John was saying and felt his openness was a good thing. His father, however, was angry and upset and now has very little communication with our son. John has made three attempts to get back into his father's life, but his father has not responded. He did, however, remember John's birthday.

John's cancer is back. He is once again facing major chemotherapy and, this time, radiation therapy. His father knows nothing of this. Ann, my heart breaks because I know they love each other and his father is just being stubborn.

My son could die, and I don't want this to end in complete tragedy—John without his father, and a father without his only child.

Please advise. Everyone says it is not my business, including John.—Colorado Springs Heartache

Dear Colorado Springs:

I believe John's father should be informed of his son's condition.

Drop him a brief note, and let the chips fall where they may. Of course, a reunion would be wonderful, but don't push it.

DEAR ANN LANDERS:

Recently, a close relative drove 2,000 miles to visit me and other relatives in our town. "Alma" showed up in the wee hours, which didn't bother me. What *did* bother me was that she brought her three cats without asking in advance.

My husband and I have animals and we like animals, but we do not keep them in the house. We offered to put her cats up in the garage, but Alma was horrified by the suggestion. Needless to say, there were some hard feelings.

Ann, please tell people with pets not to bring them uninvited to the homes of others. No matter how close you may think your ties are, it is very bad manners and can damage the relationship. If the pets can't stay in a kennel, the owners should stay home with them.—Pine Bluff, Ark.

Dear Pine Bluff:

In my opinion, it is extremely rude to bring pets without asking. If you need another vote to solidify your position, you have mine.

DEAR ANN LANDERS:

I am 17 and very close to my dad. My mother cheated on him for 20 years and divorced him to marry "Harry," the last guy she went with. She and Harry divorced after only a month. Now she's trying to get Dad back.

I know Dad doesn't love my mom anymore. He told me all he wants is to get back the house he worked so hard for. I don't consider this a good enough reason to reunite. I know Mom won't be true to Dad. She'll be running around with other men within six months.

I'm counting on you to help me straighten out Dad's life. I plan to give him your column to read, so please hurry.—Teenage Girl, No City, No State

Dear Girl:

This is between your mom and dad. They just might make it this time. I suggest that you M.Y.O.B.

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From Civil War Horrors, A Modern Museum of Medicine

By Sarah Mark 2/19/95
Washington Post Staff Writer

In one sense, it is the curio cabinet of American medicine.

Inside it, you can find the head of a 19th-century man floating in a jar, a bullet that killed Abraham Lincoln, and an anti-tetanus syringe used on Teddy Roosevelt in 1912.

But in another sense, it is a showcase of the extraordinary progress that biomedical research has achieved to create today's highly sophisticated medical care.

Inside it, you can find powerful evidence that smoking destroys lungs, interactive exhibits on how the body works and the first electron microscope used in North America.

It is the National Museum of Health and Medicine and though Post readers have been told many times that it lurks within the grounds of the Walter Reed Army Medical Center in Northwest, it remains one of the least visited, most fascinating museums in town.

The museum was established in 1862, during the Civil War, by Union Army Surgeon General William A. Hammond. He saw it as a repository for the study and treatment of disease and injuries. Battlefield doctors were ordered to send pathological specimens for study. Physicians dutifully packed up limbs and organs in kegs of whiskey and shipped them to the museum, where researchers dissected them. Amputation was the treatment of choice for wounded limbs because doctors didn't know how to control infection.

Nineteenth-century medicine wasn't always so crude.

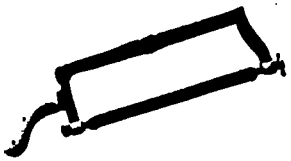
At the battle of Reams' Station in Virginia, for example, an exploding artillery shell destroyed parts of Pvt. Rowland Ward's cheek, jaw and neck.

Surgeon J. Cooper McKee's rudimentary, yet extraordinary, operations that pieced back together the 46-year-old's lower face are carefully documented in text and photos displayed at the museum. This early attempt at plastic surgery gave Ward, a farmer, the ability to speak and swallow again and dramatically lessened his disfigurement. Thirteen years later, McKee sent the museum a tintype of Ward with a handsome, long beard covering the scars.

Behind many of the curiosities lies a deeper message.

For example, seeing a Civil War soldier's diseased, cream-colored colon may make you wince. But you probably won't forget its lesson: Dysentery was a significant cause of death during the war. A period photograph of an Army encampment shows a common culprit—a stream used not only for bathing and drinking but also as a sewage receptacle. Civil War doctors missed by a few years learning about how germs carry disease. In fact, at least twice as many soldiers died from disease as from projectile wounds.

By 1883, the museum had amassed more than 3,500 gunshot injury specimens. The museum's research on these led to several advances in surgical techniques. To date the museum has accumulated about 17,000 anatomical specimens and 12,000 historical artifacts.



BY TYLER MALLORY FOR THE WASHINGTON POST

Early bone saw.

Physicians were not the only ones to donate specimens. When Union Maj. Gen. Daniel E. Sickles's right leg was shattered by a 12-pound cannonball at Gettysburg in July, 1863, he took it upon himself to send the limb to the museum with his visiting card reading "with the compliments of Major General D.E.S." Two months after his injury, Sickles was back on his horse, and for many subsequent years he visited the appendage on the anniversary of the amputation. The bone is still on display.

After Army Assistant Surgeon Edward Curtis participated in the autopsy on the assassinated President Abraham Lincoln, Curtis had the foresight to save his sleeves spotted with Lincoln's blood, which are displayed at the museum, as well as the bullet that killed Lincoln, Lincoln's hair and bone chips, and a long probe used to find the bullet in his brain. A computer exhibit shows that modern physicians, even with late 20th-century medicine, would have not have been able to save the president.

Because the museum was started as part of the Union Army's effort, the specimens and artifacts came from Union sources during the war. After the war, if Confederate surgeon J.J.Chisolm had any hard feelings about the side that won, he didn't let them stop him from giving the museum an inhaling device he invented for administering anesthesia.

The inhaler delivered a relatively small amount of chloroform through blunt metal prongs inserted in the patient's nose. Before its use, doctors soaked a cloth in chloroform and put it over the patient's face. Unfortunately, so much chloroform escaped into the air that it began to affect medical personnel around the patient.

Near the Civil War artifacts is an exhibit with some of the museum's most beautiful items, including elaborately-designed microscopes dating back to the 1600s. Early stethoscopes in the 19th century were also works of art. Essentially large earpieces in the shape of bugles, the stethoscopes were made of fine materials such as ebony and ivory. Text at the exhibit discusses Rene Theophile Hyacinthe Laennec, a French doctor who invented the stethoscope in 1816 after rolling paper into a tube and placing it on the chest of a patient to hear her heart.

In Laennec's era, the vulnerability of the human body may have been more obvious than today. Anne Pollin, a museum docent, said her tours of the museum stress that "we're still vulnerable to disease and sometimes we hasten problems with our behavior," especially with respect to such maladies as AIDS and lung cancer.

At the new Human Body/Human Being exhibit, for example, Pollin said she always points out a cancer-ridden lung turned from normal pink to gray by cigarette smoke. Other lung specimens also reflect the color of the foreign substance that infused them: black for coal miner's lung and rust for an iron miner's specimen.

Some of the museum's artifacts may evoke nostalgia among older visitors.

For example, an exhibit of X-ray equipment displays a fluoroscope used by shoe salesmen during the first half of the 20th century to X-ray children's feet in new shoes, ostensibly to check the fit. The government banned the machine in 1949 because of risk of radiation poisoning.

The human body exhibit also uses one of the museum's newest learning tools: plastinated human organs, which have been dried and injected with silicone. The advantage of these organs is that you can touch them. Museum visitors, for example, can run their fingers along a plastinated stomach's richly corrugated interior ridges.

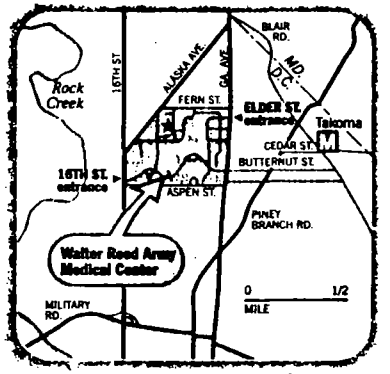


BY TYLER MALLORY FOR THE WASHINGTON POST

Skeletons of infants and youngsters.

PLAN YOUR EXPEDITION

The museum is open 10 a.m. to 5:30 p.m. daily except Dec. 25. Admission is free. The best way to see the museum is on a tour, because docents explain the context of specimens and artifacts. School, club and community organizations may book tours in advance, with at least 30 days notice. Individuals may tag along with a group's tour by making an appointment. Otherwise, individuals must view exhibits, which do have written explanations, on their own. Minimum age level for school groups is fifth grade. The museum is part of the Armed Forces Institute of Pathology on the campus of Walter Reed Medical Center in Northwest Washington. Visitors should enter the complex at Elder Street and Georgia Avenue. The museum is in building number 54. Parking permits can be obtained from the museum receptionist. For general information, call 202-782-2200. To arrange a tour, call 202-782-2201.



BY DAVE COOK—THE WASHINGTON POST

Another hands-on gastrointestinal display includes a plastic tube with a ball inside. Squeeze the tube and the ball will move, simulating the body's peristaltic motion that moves food through the gastrointestinal tract.

Other exhibits in the new biology section cover the workings of the heart, kidneys, liver, skin, muscles, bones, and lymphatic and endocrine systems.

Pollin says the vast majority of children and adults on her tours show no adverse reactions to the sometimes grisly specimens. That wasn't the case for author Mary Clemmer Ames, who toured the museum in 1874. She was both fascinated and shocked by gruesome anatomical items and artifacts, such as withered arms and photos of cancer-ravaged faces, which are not on display today. In her book, "Life and Scenes in the National Capital: As a Woman Sees Them," Ames wrote that the museum was great for scientists, but it "can never be a popular place to visit."

More than 120 years later, the museum is still going strong, despite its location off the tourist beaten track at Walter Reed. Ames's "impression probably came from the fact that specimens [back then] didn't have explanatory labels," said Michael G. Rhode, chief archivist of the museum. "Today we explain both the history and the scientific sides. Basically medicine is one of the most important facts of people's lives that they know the least about. So we're trying to fi some of the gap in current healt education."

COVER STORY

USA Today; 2-8-95 p. 1

Patients find 'direct line' to doctors

E-mail kicks off a revolution in the way health care is delivered

By Tim Friend
USA TODAY

When Madeline Shea's infant son woke up in the middle of the night, congested and cranky, she worried like any new parent.

But she knew it wasn't an emergency and, at 3 a.m., she didn't want to phone her family doctor with what she knew was a case of parental jitters.

So she sat at her Macintosh in Iowa City and wrote an e-mail to Dr. George Bergus detailing young Michael's symptoms. Even though Shea knew he wouldn't see it until the next day, she felt better, comforted her son and went to bed.

When Bergus arrived at his office at 8 a.m., he turned on his PC. He read Shea's message and sent her a reply reassuring her that Michael's sniffles were normal.

"I feel like I have a direct line to my doctor at any time day or night, but without annoying him or interrupting him," says Shea, a biochemist at the University of Iowa.

Despite all the noise about health-care reform, a transfor-

Please see COVER STORY next page ▶



By Scott Morris, Iowa City Press



DOCTOR-PATIENT: Iowa City biochemist Madeline Shea, above, used e-mail to ask her doctor about treating son Michael, 2½. Dr. George Bergus, who's connected with the University of Iowa, finds e-mail useful, and doesn't charge for the on-line housecall.

COVER STORY

Confidentiality a big concern of doctors

Continued from 1A

mation in delivery is under way.

The instruments of change are computers, and the emergence of doctor-patient e-mail is a fundamental change in the delivery of care.

"I can sense the beginning and I see it as something that will expand greatly in the very near future," says Jerome Kassirer of the *New England Journal of Medicine*. He cites several trends:

▶ The rapid growth of electronic communications and access to medical databases from home.

▶ A new generation of computer-savvy patients and doctors.

▶ Patients taking more control over medical decisions.

"These trends are likely to induce cultural changes in the delivery of care more revolutionary than any restructuring going on today," says Kassirer. "On-line, computer-assisted communication between patients and medical databases and between patients and physicians promises to replace a substantial amount of the care now delivered in person."

Doctor-patient e-mail evolved on the Internet, an international computer network. At universities, it provided faculty doctors and faculty patients easy access to each other.

"Initially there was a handful of university faculty patients with administrative requests, prescription renewals, referral authorizations or medical advice ... about a cold," says Lee Green of the University of Michigan, Ann Arbor. "As more people got involved ... it snowballed."

Today, estimates of Internet users — combining academia, commercial users and the public — range from 7 million to 30 million. The number of networks on the Internet has grown from 2,000 in 1990 to 20,000 in mid-'94, says Kassirer.

An example of a network is Prodigy or CompuServe or the University of Iowa's own system that links professors to each other and directly to the Internet. Today, a new network gets connected to the Internet every 10 to 20 minutes.

With such an explosion of users, doctor-patient e-mail and accessing medical databases will soon be routine. But it isn't necessarily medical doctors who are the driving force.

In Iowa, Madeline Shea, the patient, first suggested to Bergus that they communicate via e-mail.

"I used e-mail a lot for professional reasons and thought it would be useful during and after pregnancy," says Shea. "The doctor's reply gives us a record of instructions that I can print out and share with my husband or babysitter."

Now Bergus uses e-mail for any patient with Internet access, treating it as he would a phone call — no charge. "I'm no techno-wizard, but I find it extremely useful," he says.

As a family doctor who teaches rural medicine and often needs specialty consultations, Bergus also is excited about the day when rural doctors are on-line with a national network of specialists.

Doctors already informally consult each other on the Net.

"There is a fairly active group of physicians on the Internet. We trade information and discuss cases," says Green, who is at the forefront of electronic medical communications.

Green's doctor-patient e-mail has replaced half of the conversations he used to conduct by phone, and it has reduced the volume of non-emergency office visits. But, says Green, e-mail will never eliminate the need for personal contact with patients.

Kassirer foresees the day when HMOs and hospitals have their own computer networks providing e-mail and information services in combination with old-fashioned personal care. And by all indications, patients will like the new services.

Richard A. Neill of the University of Kentucky, Lexington, surveyed 117 patients who used e-mail with doctors. The patients said it increased speed, convenience and access to care. They found it especially useful for refilling prescriptions, getting lab results and making appointments. About 90% also had discussed a medical problem, Neill said in the March 1994 *Archives of Family Medicine*.

But there are potential downsides: How confidential is doctor-patient e-mail and how trustworthy is the medical information obtained?

ACP On-line, a computer network set up by the American College of Physicians, offers several precautions for doctors worried about confidentiality, says Holly Epstein Ojalvo, who runs the service. She says:

▶ Check with system operators when joining a network to see whether your messages are confidential.

▶ Verify suspicious e-mail messages with the sender.

▶ Avoid computer passwords from family names or birthdays.

Ojalvo also recommends high-tech encryption software, free on the Internet. Green just began using PGP — pretty good privacy — which encodes e-mail that only he and his patients can decode and read.

While encryption algorithms may solve many security concerns, Kassirer is concerned about the quality of medical information on the Internet. Hundreds of health discussion groups are available through Compuserve, Prodigy and America Online.

"Although some of the information conveyed in these forums is quite authoritative, much is highly questionable," warns Kassirer.

Legitimate or not, forums on the Internet between people with similar diseases, and the ability for an individual to e-mail millions of people with a query, open a new world.

Jeff Newman, 47, a commodities trader on the Chicago Board of Trade, developed polyps in his throat caused by a papilloma virus; he lost his voice and the ability to yell on the trading floor. His doctor said the only treatment was to keep having the polyps surgically removed.

Depressed and desperate, Newman posted a query through CompuServe. The next day, Michael Green of Seattle replied that a compound in cabbage juice, indole-3-carbinol, may slow the growth of polyps. Newman tried it.

"It has been 13 months since my last operation," says Newman. "If it were not for e-mail and CompuServe, I believe my life would have regressed along with my hope."

USA Today; 2-8-95

Take 2 aspirin and log on to a computer

By Mike Snider
USA TODAY

Instead of grabbing that old, reliable medical book off the shelf when your child sniffles or your mother gets a new prescription, now you can turn to your personal computer for medical advice.

These souped-up multimedia programs, full of video and animations, bring medicine and biology to life. Searching for a treatment is often almost automatic. And many of these programs have built-in record-keeping sections. That's handy when you visit a new doctor or file insurance claims; just print out the relevant "page" and take it (or mail it) along.

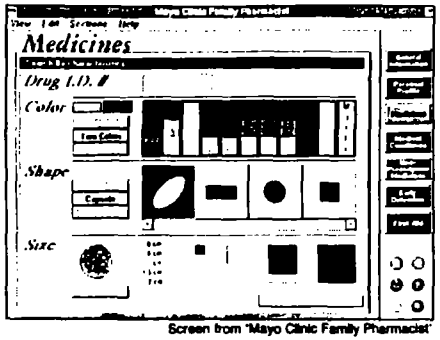
Of course, PC programs shouldn't replace hands-on medical treatment. But "the CD-ROM is big and upcoming" in the fields of patient education and rehabilitation, says Eloise Wagner, surgical nurse educator at Johns Hopkins Hospital, Baltimore.

Wagner has helped in the hospital's ongoing technology trials that have so far produced six patient-education programs that patients now use on Macintoshes. Now, Johns Hopkins is considering CD-ROM products that could be given to patients or sold in retail outlets. "There's a big push . . . for patient education materials for home and family," she says.

People seem to want more information before and after they visit a doctor, says Joseph Fuller of A.D.A.M. Software in Marietta, Ga. So A.D.A.M. (it stands for "Animated Dissection of Anatomy for Medicine"), which had made software only for health professionals and medical schools, decided to design a home product. "We're really giving people more than they could get looking at a book," Fuller says. "We're actually taking you inside the body and showing you how the body works."

On this page are reviews of several titles.

▶ Cover story, 1A



Screen from 'Mayo Clinic Family Pharmacist'

'The Mayo Clinic' series

The Mayo Clinic's comprehensive patient philosophy comes to CD-ROM in this series, available separately or combined from IVI Publishing as ***The Mayo Clinic Health Encyclopedia***, for about $100 in stores. New versions, due within six months, access CompuServe.

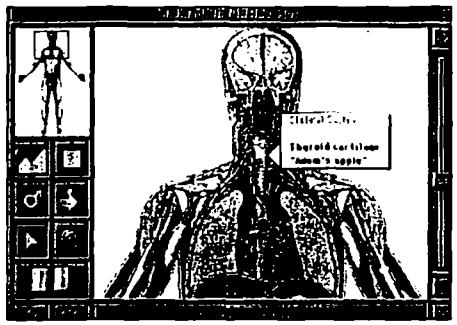
The ***Mayo Clinic — Family Health Book*** (★★★ out of four; CD for Windows or Macs, street price about $45) is thorough and understandable. Animations, video and illustrations cover anatomy, first aid and diseases. For heart-specific coverage, ***The Total Heart*** (★★½; CD for Window or Macs, under $30) shows how disease develops and how to lower risks. Special sections cover heart tests, treatments and emergencies.

Family Pharmacist (★★★½; CD for Windows or Macs, about $45) lets you search 7,600 drugs by name, color, shape or size. Going beyond a drug reference, *Pharmacist* tutors you on how to perform self-exams that may catch medical problems before they become too serious. A "Where Does It Hurt?" section lets you click on a body part and get advice.

Need a personal trainer? Try ***Mayo Clinic and ESPN Sports Health & Fitness*** (★★★; CD, $59.95; street price $45). Beginners and some intermediate exercisers can get advice on everything from target heart rates to proper sit-up form and buying athletic shoes.

A brief fitness survey — you do have to exert yourself — gives you a basic workout regimen, and a journal lets you log workouts. Also valuable: a section that advocates a balanced approach to youth exercise and sports.

'A.D.A.M. the Inside Story'

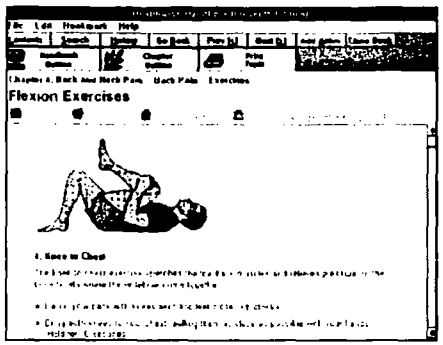


More than a medical reference guide, ***A.D.A.M. the Inside Story*** (★★★½ out of four; A.D.A.M. Software, CD for Macs and PCs, street price, $40-$50) lets you have fun while learning about the body's various systems.

Tour guides Adam and Eve — they wear fig leaves or not, your decision — explain body functions using stories accompanied by animations, video and their own hokey humor. For example, Adam touches a hot stove to show how your reflexes work.

Design your tour by body part or system, peeling back body layers (why does Hannibal Lecter come to mind here?).

Parents can use *A.D.A.M.* to address everyday medical questions. Before a child goes for immunizations, a parent could show the child the CD's section on the immune system. Puzzles at the end test you on what you've learned.



'HealthDesk'

Video and 3-D graphics aren't necessary if you want an *easy-to-navigate* health adviser and medical records-keeper. ***HealthDesk*** (★★½ out of four; HarperCollins Interactive, disk for Windows, retail $59.95) proves it.

Notes can be kept on up to 10 people: lifestyles, health conditions, vaccinations, allergies, symptoms, medications, hospital visits and doctors and other professionals seen (diagnoses and financial outcomes).

Health manager sections give advice and illustrations about exercise, weight, stress, heart health and women's health. Favorite feature: You can make graphs that let you track your exercise and weight-loss progress.

The only product here that makes you click on a disclaimer to proceed, *HealthDesk* also lists dial-up bulletin boards and non-profit and government organizations and lets you subscribe to on-line information, at extra cost.

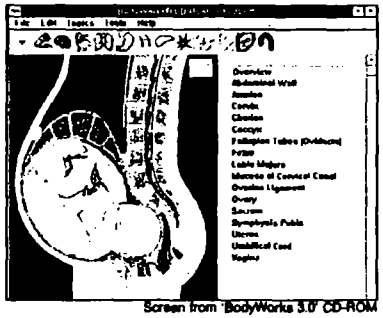
'BodyWorks 3.0,' etc.

Ever wondered how to pronounce "coccyx," the word for a small triangular bone at the base of the vertebrae? Learn how from ***BodyWorks 3.0*** (★★½ out of four; SoftKey Intl., CD for Windows, suggested retail, $69.95).

In addition to its speech feature, this anatomical and biology-rich disc also has about 40 videos that cover cell division, fertilization of an egg, childbirth and a beating heart. A library of animations and 3-D rotating models lets you check out biological happenings, body parts, systems and functions.

BodyWorks covers biology, offering information about DNA and genetics, but doesn't give as much attention to medical records storage or health and fitness advice as others.

Also from SoftKey: ***B.A.B.Y.*** (★★; disk for PCs, suggested retail, $29.95), which helps you figure out the best time to get pregnant and what name to choose, plus tracks feeding schedules and baby weight; ***PharmAssist*** (★★½; CD for Windows, suggested retail, $69.95) has a lot of good information about prescription and illicit drugs, including how they're applied or used. Another section details vaccinations needed for travel. But, in all, *PharmAssist is a bit harder to get around in than Family Pharmacist.*



Screen from 'BodyWorks 3.0' CD-ROM

Other titles to help you get with the program

Other medical-related software (not reviewed; suggested retail prices unless otherwise stated):

▶ ***The Doctor's Book of Home Remedies*** (Compton's NewMedia, CD for Windows, $39.95). Topics are as diverse as flatulence and ingrown hairs.

▶ Organize the family's medical information with ***Family Health Tracker*** (HealthSoft, disk for PCs, $49.95). HealthSoft also makes the PC CDs ***The Complete Guide to Symptoms, Illness & Surgery*** and ***The Complete Guide to Prescription & Non-Prescription Drugs*** (both $49.95).

▶ ***The Family Doctor*** (Creative Multimedia, CD for Windows and Macs, $79.95). Syndicated columnist Dr. Allan Bruckheim answers 2,300 questions; guides on drugs, rare diseases and first aid.

▶ ***Medical Matters*** (Persons Technology, disk for Windows, $49) keeps records and has medical, drug and Medicare guides and a hot line database.

▶ ***Personal Physician*** (Family Care, disk for PCs and Macs, street price $45-$50). Dr. Isadore Rosenfeld goes from symptoms to diagnosis to treatment.

For terminally ill patients facing huge bills, turning insurance policies into cash offers hope now

Chgo. Trib.; 2-3-95

Life benefits

3:1

By Kathy O'Malley
TRIBUNE STAFF WRITER

Shortly after the new Congress was sworn in last month, Don and Rosemary Paul made a difficult journey from Texas to Washington, D.C., to tell lawmakers their story of financial devastation and the hope they found in an unlikely place.

Don, 69, is retired. Rosemary, 50, recently left her job at the local Grandy's restaurant when she became too ill to work. She's in a wheelchair, one result of amyotrophic lateral sclerosis, a degenerative neuromuscular disorder often referred to as Lou Gehrig's disease.

The Pauls flew to Washington to testify before a congressional subcommittee on the issue of granting tax-free status to viatical settlements, the business of buying insurance policies from terminally ill people who need cash *before* they die.

At the hearings, Don spoke on behalf of the couple because Rosemary's voice is often too weak to be heard.

"It just isn't fair," Don testified, "for people who have worked and saved their whole life to be stripped of everything as they face a terminal illness. To further tax them on the last remaining funds they can use to maintain a sense of dignity, security ... is simply, we believe, not what this country is about."

John Banks, chief executive officer of Chicago-based Viaticus Inc., also testified at the hearings. Banks' viatical-settlement company bought Rosemary Paul's life-insurance policy when she learned she was terminally ill.

The business of viatical settlement emerged in the late 1980s, when savvy speculators observed people with AIDS struggling to meet financial obligations after losing jobs and selling off their obvious assets. Such people had no way to cash in on their insurance policies except to collect what they had paid in premiums over the years, an amount that often was considerably less than the policy's death benefit.

The entrepreneurs began buying the insurance policies from people with AIDS in exchange for cash settlements representing a percentage of the policies' death benefits. Some became brokers, arranging matches between dying policyholders and individuals looking for a good return on their investments, and charging fees to buyers or sellers.

Without even self-regulation, investors and companies were free to cut whatever deals they could with dying people desperate for money. One Florida company was shut down after getting terminally ill clients to sign over their policies and then failing to pay them anything.

Karen Fishman, executive director of the AIDS Foundation of Chicago, acknowledges early concern about the industry. But the majority of doctors, social workers and other care providers now consider viatical settlement "an important source of cash for people impoverished by the disease," she said.

At the same time, a number of people remain uncomfortable with this somewhat grisly area of speculation. Some call it investing in "death futures" because the sooner a client dies, the fewer premium payments the investor has to make, resulting in a larger profit.

Bill Crust, president of Viatical Settlements Inc. of Kansas City, Mo., recalls being asked by a man he con-

Cont'd on next page

Insurance

from previous page

sidered a friend, "Why don't you just call yourselves 'Vultures Inc.'?"

Even the entertainment industry has picked up on the potentially dark side of the practice. "Death Benefits," a new play that opened in January in Los Angeles, focuses on a fictional sleazy viatical-settlement company that's somewhat overanxious for policyholders to die quickly.

But as competition has grown, the industry has struggled to establish operating standards and to police itself, positioning viatical settlements as a caring, compassionate answer to the financial demands of dealing with terminal illness.

The practice provides terminally ill clients with cash for everything from basic living expenses to fulfillment of lifetime dreams. Don Paul says it meant "we'd be able to take good care of Rosemary, we could pay off bills, have some fun together, and we could maintain a quality lifestyle. It just took a real load off our shoulders."

Setting standards

Image-conscious companies now emphasize commitment, understanding and confidentiality with no high pressure. Fees are largely a thing of the past, and settlement amounts have become somewhat standardized, although to this point largely unregulated by government agencies.

In 1994, the National Association of Insurance Commissioners drafted a model law and regulations that can be tailored to any state's insurance code. The only states with laws governing viatical settlements are California, Indiana, Kansas, New Mexico, New York and Vermont. An existing law was overturned in Utah, and a proposal for a Florida measure was defeated.

But most viatical companies use the recommendations of the insurance-commissioners association as guidelines. They include confidentiality and compliance with federal and state insurance laws, as well as full disclosure on the potential effects of making a viatical settlement. Viators—those people selling a policy—should be informed of alternatives, including borrowing against a policy. They should also be told about tax liabilities (unlike benefits paid to beneficiaries after a policyholder dies, the money received from a viatical settlement is taxed as regular income) and about the potential for claims against the settlement by creditors. And they should be informed of possible interruption of benefits from Medicaid, Social Security or Aid to Families With Dependent Children because of a viatical settlement.

The insurance-commissioners association recommends a settlement formula of 80 percent of a policy's death benefit for those with less than six months to live, 70 percent for six months to a year, 65 percent for 12 to 18 months, 60 percent for 18 to 24 months, and 50 percent for 24 months or more.

For Rosemary Paul, the settlement from Viaticus was a mixed blessing. "It was really wonderful to know we were going to have that money, but I finally had to face the fact that they wouldn't be making an offer if I wasn't going to die. ... That was hard."

Original designated beneficiaries of an insurance policy are asked to sign away their rights to any death benefits. And policyholders are made aware that they may rescind the agreement up to 30 days after signing over their policy, or up to 15 days after accepting payment on the settlement.

Although only a small percentage of life-insurance policyholders have made viatical settlements, the industry is growing rapidly. Approximately $300 million in policies were viaticated in 1994, and at least 65 companies now operate in the U.S., compared with three in 1989.

Several of the companies are affiliated with the National Viatical Association, a 2-year-old industry group pushing for a "level playing field" with the insurance industry if the viatical companies are to be regulated, according to spokeswoman Michelle Saxty. "We're not opposed to regulation," she said. "We just want to operate under the same rules as the insurance companies." (A second industry organization, the Viatical Association of America, was just established Jan. 1.)

And the insurance industry is coming under pressure from the burgeoning business of viatical settlement.

One response has been the approach taken by CNA Financial Corp., the parent company of the CNA Insurance Companies. CNA Financial established its own viatical settlement company, Viaticus, in 1994 as a wholly owned subsidiary. The company expects to hold up to $500 million worth of policies within five years. Other insurance companies are expected to follow and establish viatical-settlement branches—a practice characterized by Saxty of the National Viatical Association as "pretty much being on both sides of the fence."

Another response from insurance companies has been to offer accelerated death benefits, which, like viatical settlements, are taxed as income.

An accelerated death benefit pays a percentage of a policy's face value (generally no more than 50 percent) as a predeath benefit, with the remainder going to the policyholder's beneficiaries after death. Diane Coffey, a spokeswoman for the 600-member American Council of Life Insurance, confirmed it is standard practice to deduct a percentage of the settlement for administrative costs and for the lost interest on the money paid out early.

Awareness growing

While viatical settlements may be made with clients who have as much as two years to live, slightly more than three-fourths of accelerated death benefits are paid by insurance companies to policyholders with a life expectancy of six months to a year. The rest, 23 percent, are made to those with less than six months to live.

Advertising for viatical settlements originally was targeted strictly at AIDS patients. But those with cancer, heart disease, Alzheimer's disease, Lou Gehrig's disease and other terminal illnesses are increasingly becoming aware of the option of selling their policies.

The bottom line is that while insurance and viatical-settlement companies are getting smarter, so are consumers.

Kevin Kurth of The Access Program, a California viatical-settlement company, thinks it's obvious that most interested people are shopping around for the best deal.

"The majority of our clients apply to more than one company, and they're pretty sophisticated about the process. They'll get bids from three or four, maybe more, companies, and go with the highest one, even though there's usually not a variance of more than a couple of percentage points. The competition is out there, so that has to be good for the client."

Crust, of Viatical Settlements Inc., agrees.

"These people are terminally ill," he says. "They're not terminally stupid."

The National Viatical Association can be reached at 7910 Woodmont Ave., Suite 1430, Bethesda, Md. 20814; phone 800-741-9465.

LIFESTYLE

Intensive Care on a Budget

Health: Do patients suffer when hospitals replace registered nurses with unskilled assistants?



DAVID YORK—MEDICHROME/STOCK SHOP

Life on the edge: *Nurses say layoffs are a hazard, but the evidence is murky*

AS AN INTENSIVE-CARE NURSE, BARBARA Grady knows the buzz of a bedside alarm like the ring of a telephone. When it sounds, she straightens a ventilator hose or fixes an IV line, often easing someone back from the edge of death. Grady used to work one-on-one with her patients, but she now often handles two or more. When she can't respond to an alarm and there's not another nurse nearby, she summons one of the unlicensed nurse's aides her Boston hospital has hired. Not long ago, Grady recalls, an aide responded to an alarm in her unit and noticed only that there was a little blood on the patient's bed. Seconds later the alarm sounded again, and Grady rushed over to find that the patient's arterial line was detached, and her sheets were drenched with blood. The aide, though well-meaning, hadn't known to check the line.

Across the nation, hospitals are cutting back on registered nurses—and delegating some of their chores to aides who average only two to six weeks of training. No one knows how many RNs have been lost or how the trend will affect patients. The scant available evidence comes mainly from nurses' groups that have a stake in the status quo. But health workers do seem worried. Of 1,800 who were polled recently by the American Nurses Association, 68 percent said their RN staffs had been cut in the past year, through attrition or layoffs. And two thirds of those reporting cutbacks thought the changes were jeopardizing patients. Doctors are voicing similar concern. "If I were really worried about one of my patients, I would set my alarm and go check myself," says Dr. Christopher Greeley, a pediatric resident in Nashville, Tenn. "Some of the people I'm relying on to be my eyes and ears have less training than the person running the slushy machine at 7-Eleven."

'Dollars could dry up to the point where care will be affected'

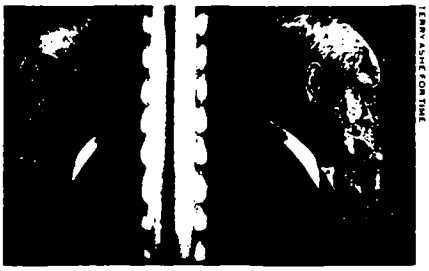
Hospital administrators say they're merely trying to adapt to a changed market. Hospital admissions have plummeted since the early 1980s, when insurers began treating inpatient care as the costly luxury it is. The shift has put many institutions out of business and forced survivors to cut expenses wherever they can. Nurses, as the largest group of hospital employees, are an obvious target for savings. The idea isn't to do away with them, administrators say, but to deploy them more efficiently—by hiring $15,000-a-year "care associates" to handle mundane tasks, such as changing linen, bathing patients and helping doctors with routine technical procedures. As Barry Horn of Berkeley's Alta Bates Medical Center explains, "I don't need to take a nurse out of commission to assist in a spinal tap. The assistance it requires is simple."

The problem, critics say, is that these aides are performing feats for which they're unqualified. State and national nurses' associations have been particularly outraged by reports that unlicensed attendants are handling catheters in cardiac patients at UCLA Medical Center and suturing surgery patients at some of California's Kaiser hospitals. "They shouldn't be doing invasive procedures," says Grady, the Boston intensive-care nurse. "Many don't even know to bring an unstable vital sign to somebody's attention." UCLA and Kaiser both acknowledge letting unlicensed aides perform these drills, but both defend the practice, saying that doctors are always on hand to supervise. "We think it's very clear that this is legal," says Frances Ridle Hoover, director of ambulatory care and cardiodiagnostic services at UCLA.

Aside from anecdotes, there is little evidence that the move away from RNs has harmed patients. A few studies have found that hospitals with low nurse-to-patient ratios have slightly elevated mortality rates. And nurses at Boston College noted in a 1994 survey that nursing staffs had been cut at several Massachusetts hospitals where patients later died in mishaps. "This should tell us that we have to be very careful," says study leader Judith Shindul-Rothschild. But there is no direct link between the cutbacks and the deaths. As Massachusetts Hospital Association spokesman Andrew Dreyfus says, any number of factors could have contributed.

The nurses' concerns are no doubt parochial in part. "One has to wonder whether this has more to do with traditional union work protection than with real concern about patient care," says Mark Speare, associate director of the UCLA Medical Center. For years, he recalls, RNs disdained many of the tasks they're now fighting to keep. Yet no one denies that nursing cuts *could* have dire effects. "Somewhere down the line," says Horn of Alta Bates, "the dollars could dry up to the point where care will be affected." Where that point lies is anyone's guess. The Institute of Medicine, a federal advisory group, may help clarify the hazards in a forthcoming study of hospital nursing trends. But if the nurses' associations expect to save the status quo, they're sure to be disappointed. The revolution is already here. The question is how happily it will play out.

GEOFFREY COWLEY *with* SUSAN MILLER *in New York and* MARY HAGER *in Washington*



TERRY ASHE FOR TIME

■ LOBBYING

Newt Inc.

A Gingrich-friendly foundation comes under ethical scrutiny

By JOHN F. DICKERSON WASHINGTON

IN IMPARTING HIS VISION OF AMERICA, Newt Gingrich has a way of dropping names. Say, Hewlett-Packard and Health South Inc. during his series of videotaped college lectures; Johnson & Johnson and other pharmaceutical giants in letters to the White House and the Food and Drug Administration. By coincidence or design, many of the name-dropped have deposited timely contributions to organizations linked to Gingrich. Disclosures about the favors and donations provoked growing scrutiny last week of the Progress and Freedom Foundation, a Gingrich think tank that seems to churn as much cash as ideas. Declared Ellen Miller, executive director of the Center for Responsive Politics, "It's just another way in which Newt Gingrich's coat has many pockets."

Or a way he buttonholes his way to political profit. In the last Congress Gingrich introduced three bills to suspend duties on drug ingredients imported by Solvay Pharmaceuticals, a subsidiary of a large Belgian company based in his Georgia district. In January 1994 Solvay contributed $30,000 to the foundation. In mid-1994, Gingrich pressed the FDA to speed the approval of a drug manufactured by Solvay. Last September Gingrich lobbied the White House and the FDA on behalf of Direct Access Diagnostics, a Johnson & Johnson subsidiary that was seeking approval for a home test kit to detect the AIDS virus. Soon after, Direct Access contributed an estimated $30,000 to the foundation.

News of Gingrich's efforts on behalf of the two companies added to a growing ethical controversy. The House ethics committee is already looking into donations to GOPAC, the Gingrich-led political-action committee that received money from corporations like Hewlett-Packard. The committee is also probing his lucrative contract to write two books for media mogul Rupert Murdoch.

In the case of the drug companies, there is no linkage between the favors Gingrich did for them and the money they gave the foundation, says Jeffrey Eisenach, founder and president of the foundation. Indeed, Gingrich had been railing against the inefficiencies at the FDA long before he asked the foundation to provide him with a plan for revamping the agency and before it even started collecting donations. There is also no evidence that Gingrich knew of these donations or that the foundation promised influence when seeking financial support.

That does not exempt him from charges of hypocrisy. "Newt Gingrich complained about the corrupt system when he was in the minority," says Fred Wertheimer of Common Cause, who six years ago gave crucial support to Gingrich's effort to oust Speaker Jim Wright for ethics violations. "Now he's running that corrupt system, and it's politics as usual."

Eisenach describes himself as Gingrich's "intellectual sidekick," but he insists the foundation is wholly independent of Gingrich as well as organizations like GOPAC. That defense is less than satisfying to critics. Before founding Progress and Freedom, Eisenach was executive director of [illegible] His think tank, furthermore, is [illegible] "Renewing American Civilization," the 20-hour college course that Gingrich teaches. Eisenach, however, denies that he remains beholden to partisan zealots at GOPAC. "The clique that feeds at the trough of Republican politics is not my crowd," he told TIME. "I survived at GOPAC by telling them I'd leave them alone if they'd leave me alone."

To defuse criticism of the foundation, Eisenach has released a list of donors. Apart from Johnson & Johnson, Health South and Solvay, it includes such pharmaceutical companies as Searle, Glaxo, Genzyme and Burroughs Wellcome, as well as AT&T, Turner Broadcasting and Lockheed. All are under federal regulation or have contracts with the government—and are thus barred from contributing directly to political campaigns. The foundation has not indicated the amounts each corporation has contributed. The foundation, which is tax exempt, officially nonpartisan and not subject to federal election laws, can receive unlimited amounts of money from donors and is not bound to disclose the names of its supporters. Nevertheless, it admits it has received a total of $1.7 million since 1993.

Eisenach, 36, does not disavow spiritual ties to the Gingrich crusade. He considers himself the curator of Gingrich's ideas. He agrees with the Speaker that no idea has played a more central role in American civilization than progress. It was a combination of patriotism and technological innovation that was instilled in Eisenach as a child. In the first grade, he and his classmates in Mrs. Bumstead's class in Dayton, Ohio, would regularly hear B-52s flying overhead, heading back to nearby Wright-Patterson Air Base. Each time, the kids' response was the same. "We would stop whatever we were doing in class and clap."

Eisenach and Gingrich met in 1988 while Eisenach was studying drug-abuse policy at the conservative Heritage Foundation. "We found out that for 10 years we had been thinking about many of the same things," says Eisenach. Nowadays, he talks with Gingrich two or three times a week. One irresistible topic for them must be the growing scrutiny of their relationship. ■



PAUL FETTERS FOR TIME

THE COMPANY HE KEEPS: Gingrich, top, networking in Washington; Eisenach in his D.C. office

NATIONAL AFFAIRS

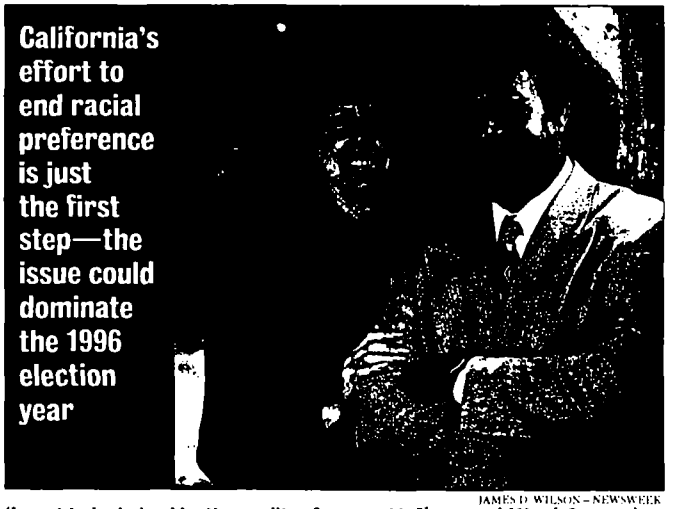
The End of Affirmative Action

Public Lives: A NEWSWEEK columnist says we may be hurtling toward the most sensitive point in race relations since the 1960s

BY JOE KLEIN

WARD CONNERLY OWNS PRECISELY HALF OF A LAND-use consulting firm in Sacramento. His wife, Ilene, owns the other half. In the perverse world of racial preference politics, this is a rather dramatic statement of moral principle. Connerly is black; his wife is white. "If I were to own, say, 51 percent, we could make a very nice piece of change," he says. Connerly & Associates would then be a *minority*-owned company. A conga line of white contractors hoping to do business with the state of California—and needing to meet affirmative-action guidelines—would come courting. In fact, they do now. "They ask me to go into business with them to be their minority partner," Connerly says. "Look, I was born in Louisiana. I remember drinking from 'colored only' water fountains. That was degrading. But this is almost as bad. I won't be defined as an 'affirmative action' businessman. I want to be judged by the quality of my work."

But Ward Connerly is more likely to be remembered for the quality of his ideas than for the quality of his work. As a member of the University of California Board of Regents, he is leading a campaign to abolish racial preferences in the state university system. A vote will be taken in June. His effort is the first of many, the beginning of a historic turn in America—the probable end of the 25-year attempt to make benign, remedial distinctions according to race and gender. "Affirmative action is dead," Connerly says. "We are negotiating the burial rites."



JAMES D. WILSON—NEWSWEEK

'I want to be judged by the quality of my work': *Ilene and Ward Connerly*

It's been a curious quarter-century. Affirmative action—the accepted, if imprecise, shorthand for ethnic and gender preference programs—has insinuated itself into every aspect of American public life, and much of the private sector as well. This has been a profound and extremely controversial development, not least because the policy has evolved in virtual silence, with a minimum of democracy—almost entirely by executive order and court fiat, almost never legislatively; almost never the result of a public debate. That, however, is about to change. In California there will be a 1996 ballot question that would forbid the use of ethnicity or gender "as a criterion for either discriminating against, or granting preferential treatment to, any individual or group." This question, also known as the California Civil Rights Initiative (CCRI), is likely to dominate the 1996 election year—including the presidential campaign—much as the anti-illegal-immigrant question (Prop. 187) dominated 1994. Practically no one in California expects it to fail. And even before the CCRI campaign heats up, there will be Supreme Court cases and legislative initiatives in Washington and in many states, almost all of which are likely to narrow the use of racial preferences.

In fact, we may be hurtling toward the most sensitive moment in American race relations since the 1960s—*more* sensitive, in some ways, because a reduction of perceived "rights" seems inevitable. The reaction of the black community is likely to be cold fury, incendiary rhetoric—and a deep sense of despair. "You are putting a formula together to maintain white America in total control so that racial-minority America can never be part of the system," Willie Brown, the state Assembly speaker, has said. The response from white America is likely to be a disingenuous and slightly smarmy call for a "colorblind society." This will be especially galling when it comes, as it so often does, from some of the same people who tried to block "colorblind" civil-rights legislation 30 years ago—and who routinely oppose most efforts to help the poor now.

But if the journey seems destined to be ugly, it might also prove cathartic. "We might as well look each other in the eye and have it out," says Shelby Steele, the black essayist who has written the most psychologically astute analyses of this dilemma. "We might as well talk about white guilt and black dependency, and how disastrous both have been. We might as well end the delusion that white people have it in their power to save us."

Political tide: Affirmative action hasn't been a total failure. The initial impulse certainly was noble. It crystallized a public desire to break down barriers, to include those who'd been excluded in the past. Over time, it has become socially impossible to run any large institution—public or private—in a racially exclusionary manner. But there have been negative consequences as well, and an inescapable conclusion: discrimination can't be cured by counterdiscrimination. It is not only divisive but fundamentally unfair, and, in some ways, the results are more costly for blacks than for whites.

No doubt, the rush to overturn affirmative action is a result of the recent political tide. But there are better reasons than white resentment—and political expediency—for ending this policy now. There is the subtle, stigmatizing impact on minorities—the anguish Ward Connerly feels. There is the institutionalization of different, *lower*, standards for blacks and Latinos, allowing an illusion of progress, an illusion that evaporates quickly, and cruelly, when the beneficiaries are forced to compete in the real world. There is the disastrous impact on civil society when the fundamental American notion of individual rights is supplanted by "group entitlement," as in the racial gerrymandering that has re-segregated electoral districts in

the South. There is, finally, reality: most of these programs haven't worked very well—at least in public-sector areas like the granting of contracts, and in semipublic areas like college admissions. (A case can be made that private, voluntary efforts by corporations have succeeded and should survive—but these might be legally challenged by conservatives as well.)

"Affirmative action is a gravy train," says a Los Angeles public official. "It's become a way for black politicians to take care of their friends. Opportunity doesn't expand. The same, small group of businessmen benefit every time." Of course, it could be argued that this generation of black mayors should have the same right to enrich their cronies as earlier, paler pols did. But the legitimization of graft is hardly a worthy legacy of the civil-rights movement. It makes for embarrassing lawsuits—the latest is the Adarand case, now before the U.S. Supreme Court, in which a white, family-owned business in Colorado low-bid a highway contract and lost out to a Latino-owned company, which took advantage of an affirmative-action bonus.

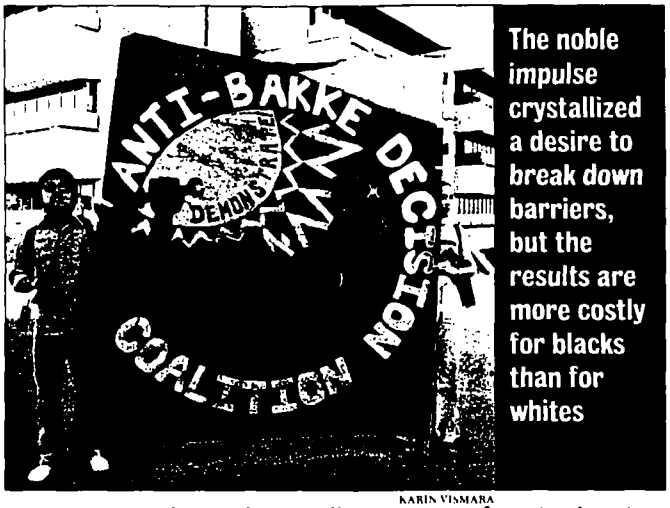
NEWSWEEK POLL

Should there be special consideration for each of the following groups to increase their opportunities for getting into college and getting jobs or promotions? (percent saying yes)

GROUP	BLACKS	WHITES
Blacks	62%	25%
Women	62%	28%
Hispanics	57%	22%
Asians	48%	18%
Native Americans	65%	34%

THE NEWSWEEK POLL, FEB. 1-3, 1995

Racial remedies haven't worked very well in academia, either. The Bakke case in 1978 established race as *one* factor colleges may consider in admissions, but it clearly has become more important than that. As Jeffrey Rosen recently noted in The New Republic, "only one out of the 280 black applicants to [the University of Texas Law School] in 1992 had a score high enough" to be admitted without a racial preference. Those who *do* get in are often tossed into an environment where they can not succeed. The conservative black intellectual Thomas Sowell has called the phenomenon "mismatching"—students who might do very well at their local state college are accepted into elite institutions where the competition for grades is intense. As of 1993, two out of every three blacks who entered college didn't graduate.



KARIN VISMARA

Bakke: *Protesting the 1978 decision allowing race as a factor in admissions*

The noble impulse crystallized a desire to break down barriers, but the results are more costly for blacks than for whites

The California Civil Rights Initiative has its roots in the bizarre racial politics of the state's public university system, where the blatant recruiting of minority faculty members, regardless of merit, led two relatively obscure academics to take action. "But the thing that really got us," says Glynn Custred, an anthropology professor who is one the CCRI sponsors, "was when the state legislature passed a bill that would have mandated quotas—the same proportion as the population of California—for admissions *and* graduation. Thank God, [Gov. Pete] Wilson refused to sign it."

Custred and his cosponsor Thomas Woods are suddenly very popular. Republicans, not surprisingly, have embraced their initiative. More titillating is the flurry of private meetings CCRI sponsors have had with Democrats. There is a possibility the party will shatter over this, splitting the liberal base (minorities, feminists and public employees) and more moderate Democrats. Bill Clinton is suspended in between, his re-election held hostage to this issue, a scenario that is already the subject of nonstop hand-wringing within the White House. "You may be shocked by some of the people who wind up supporting this," says a Democratic member of Congress. "For some, it's political expediency. [But] a lot of us believe these programs just don't work."

The crucial figure may be Willie Brown, the powerful state Assembly leader who is hoping to move over to the state Senate in 1996. Brown is opposed to CCRI, "but Willie has to think about practical politics," says one California Democrat. "If Democrats get wiped out by this he won't control the Senate." Last week Lt. Gov. Gray Davis, the highest-ranking elected Democrat in California, signaled that his position was . . . in transition. "There aren't any sacred cows. We should reexamine every program," he told me. "We know that affirmative action has created problems, abuses we didn't contemplate. But if you eliminate or severely curb . . . then what?"

The "then what" is crucial. The original sin—racism, born of slavery—remains an American outrage. If affirmative action is rejected, there is a need to send an emphatic message of continued inclusion to the black community. But how? One way might be to insist that discrimination be punished severely. There could be serious, high-profile "sting" operations against businesses suspected of bigoted practices. There could also be a symbolic leveling of the playing field from the *top*, the elimination of "legacies"—affirmative action for the academically disadvantaged children of alumni (about 12 percent of all admissions at elite colleges). "I think we should do the opposite," says Ward Connerly, "and give a break to students whose parents *didn't* go to college." Connerly also favors a form of affirmative action by economic status. "Not lower standards," he says, "but outreach, an effort to identify promising youngsters in poor neighborhoods and prepare them to compete in college." There is such a program—Upward Bound, which uses student volunteers from 609 different colleges as tutors. The bad news is that it hasn't been very effective: while 88 percent of the Upward Bound students are accepted into college, only 25 percent graduate. The most convincing replacement for affirmative action might be to guarantee a first-rate education for every poor child in America—but that wouldn't come cheap, and it would be money wasted without steady, responsible parental involvement.

In the end, leadership must also come from the president. Affirmative action is likely to end on Bill Clinton's watch. He has a responsibility to make it clear—*now*, before the court cases, before the California referendum heats up—why this policy has failed and what the country must do next to bind the wounds and make sure all doors remain open. He cannot equivocate; his standard mushy two-step will not suffice. There is more at stake here than a presidency. The most basic American idea—that people from all races and religions can coexist as equals—may be on the line. ■



PHOTOS BY ANTHONY BARBOZA

SOCIETY

WHAT COLOR IS BLACK?

And what color is white? The markers of racial identity are every conceivable hue—and suddenly matters of ideology and attitude as much as pigmentation.

BY TOM MORGANTHAU

NEARLY 400 YEARS AFTER THE FIRST AFRICAN CAME ASHORE at Jamestown—and 40 years after Rosa Parks launched the Montgomery bus boycott—Americans are still preoccupied with race. Race divides us, defines us and in a curious way unites us—if only because we still think it matters. Race-based thinking permeates our law and policy, and the sense of racial grievance, voiced by blacks and whites alike, infects our politics. Blacks cleave to their role as history's victims; whites grumble about reverse discrimination. The national mood on race, as measured by NEWSWEEK's latest poll, is bleak: 75 percent of whites—and 86 percent of blacks—say race relations are "only fair" or "poor."

But the world is changing anyway. By two other measures in the same NEWSWEEK Poll—acceptance of interracial marriage and the willingness to reside in mixed-race neighborhoods—tolerance has never been higher. The nation's racial dialogue, meanwhile, is changing so rapidly that the familiar din of black-white antagonism seems increasingly out of date. Partly because of immigration—and partly because diversity is suddenly hip—America is beginning to revise its two-way definition of race. Though this process will surely take years, it is already blurring our sense that racial identity is fixed,

immutable and primarily a matter of skin color. What color is black? It is every conceivable shade and hue from tan to ebony—and suddenly a matter of ideology and identity as much as pigmentation.

The politics of racial identity are public and deeply personal. Twenty-eight years after the last state anti-miscegenation law was struck down, an interracial generation is demanding its place at the American table (page 72). They are not the first biracial Americans: that honor belongs to youngsters who grew up in Colonial Jamestown. But they are the first to stake a claim to mainstream status, discomfiting in the process blacks and whites who are reluctant to reconsider familiar racial categories. They are aided by older cousins who, if nothing else, are changing the talk of the nation, producing powerful memoirs about life on the color line.

NEWSWEEK POLL

Are the numbers of immigrants entering the U.S. from each of the following areas too many, too few or about right?
(percent saying too many)

AREA	BLACKS	WHITES
Europe	36%	30%
Latin America	40%	59%
Africa	24%	35%
Asia	39%	45%

THE NEWSWEEK POLL, FEB. 1-3, 1995



THE NEW ETHNICS: Immigrants take the oath of citizenship during naturalization ceremonies in Los Angeles. Thirty years of sustained immigration has shifted U.S. demographics—and is changing America's view of race.

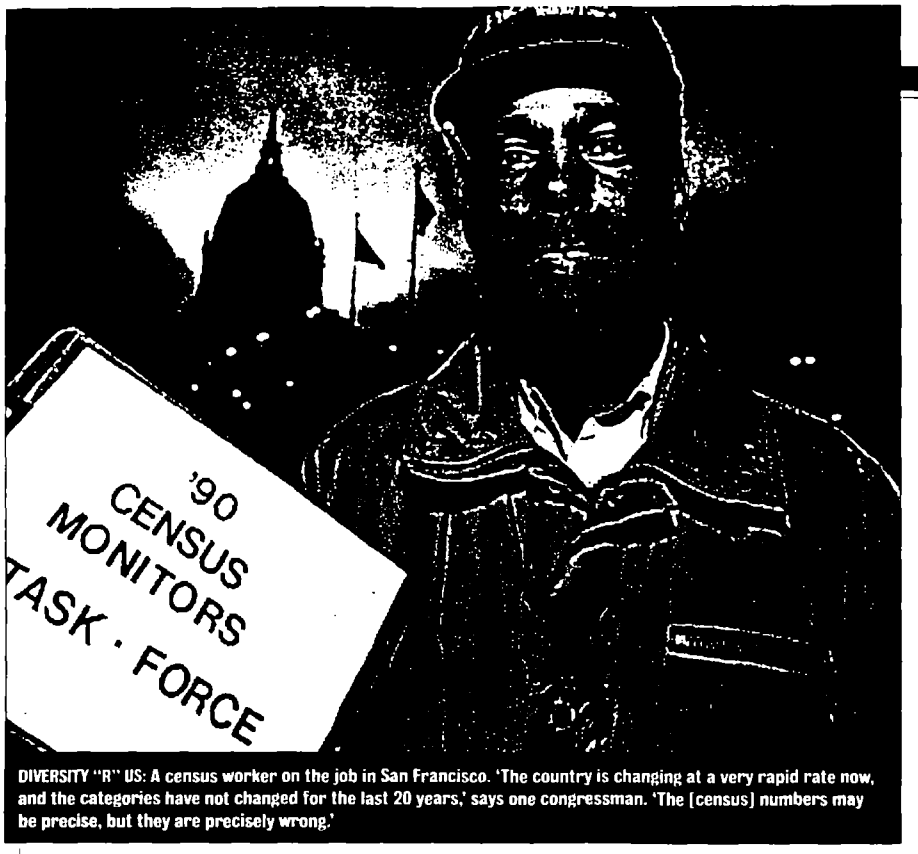
IT IS IMPORTANT TO NOTE, MEANWHILE, THAT THE IDEA OF race itself is now coming under attack by science (page 67). To scientists who have looked into the question, race is a notoriously slippery concept that eludes any serious attempt at definition: it refers mostly to observable differences in skin color, hair texture and the shape of one's eyes or nose. Considering the whole range of biological variation within the human species, these differences are at best superficial—and try as they will, scientists have been broadly unable to come up with any significant set of differences that distinguishes one racial group from another. ("The Bell Curve," a best-selling book by Richard Herrnstein and Charles Murray, revives the old controversy about black-white differences in intelligence, but surely does not settle it.) The bottom line, to most scientists working in these fields, is that race is a mere "social construct"—a gamy mixture of prejudice, superstition and myth.

This assault on racialist thinking is compounded by the visible results of 30 years of accelerating immigration from Latin America, the Caribbean and Asia. That trend, still continuing, has added approximately 18 million people to the American melting pot, most of whom are eligible to be labeled "persons of color." One obvious consequence is the prediction that Hispanics, now 25 million strong and nearly 10 percent of the population (blacks are almost 13 percent, and non-Hispanic whites are 74 percent), will be the nation's largest minority by the year 2010. But Latinos are neither a "race" nor an "ethnic group." They are a disparate collection of nationalities variously descended from Europeans, African slaves and American Indians. The new immigrants also include some 3.5 million Chinese, Japanese, Koreans, Filipinos, Vietnamese and Laotian Hmong. And hundreds of thousands of dark-skinned East Indians, Pakistanis and Bangladeshis—who, despite their color, are Caucasians.

Solidarity is hard to find. One third of African-Americans polled say that blacks should not be considered a single race.

All of this portends an era of increasing multiethnic and multiracial confusion: Diversity "R" Us. The question now is whether America's traditional concept of race is relevant to the nation's changing demographics—and the answer, almost certainly, is "no." Americans have long tended to take a "binary" approach toward race—to assume, based on our own historical experience, that only two races count and that skin color is the dividing line between them. This belief is rooted in what historians call the "one-drop rule" (page 70), which is a relic of slavery and segregation. But as Harvard sociologist Orlando Patterson says, "The U.S. approach to racial identity has been most unusual. In much of the rest of the world, people make [social and class] distinctions based on gradations of color." Now, Patterson says, the arrival of millions of new immigrants from racially mixed societies is undermining the de facto consensus on the meaning of race in the American context. "We've had this large group of people coming from parts of Latin America . . . [who] don't consider themselves white or black," he says. "They don't want to play the binary game."

The demand for a more flexible view of race and ethnicity is not limited to immigrants—for many native-born Americans are refusing to play the binary game as well. Ramona Douglass of Chicago is the child of a multiracial couple: her mother was Sicilian-American and her father was half African-American and half Ogalala Sioux. Douglass says she is frustrated that native-born multiethnics are "invisible" to the rest of society. She is president of a group, the Association of MultiEthnic Americans, that is lobbying Washington to add a multiracial category to the questionnaire for the next census. Currently, re-



DIVERSITY "R" US: A census worker on the job in San Francisco. 'The country is changing at a very rapid rate now, and the categories have not changed for the last 20 years,' says one congressman. 'The [census] numbers may be precise, but they are precisely wrong.'

NEWSWEEK POLL

How important is it that voting districts be drawn so that blacks can obtain representation in elective office comparable to their numbers in the population?

	BLACKS	WHITES
Somewhat or very important	92%	59%

THE NEWSWEEK POLL, FEB. 1-3, 1995



TO THE POLLS: Some say multiethnicity could undermine minority districting

NEWSWEEK POLL

Should the U.S. Census add a multiracial category so people aren't forced to deny part of a family member's heritage by choosing a single racial category?

	BLACKS	WHITES
Add category	49%	36%
Don't add	42%	51%

Should the U.S. Census stop collecting information on race and ethnicity?

	BLACKS	WHITES
Should stop	48%	47%
Should not stop	44%	41%

THE NEWSWEEK POLL, FEB. 1-3, 1995

spondents are asked to choose between White, Black, Asian or Pacific Islander, American Indian, Eskimo or Aleut; and the catchall designator "Other." (The questionnaire provides a separate Hispanic/Spanish-origin box in addition to these racial categories.) Simply changing the census form, Douglass argues, would help to acknowledge the nation's increasing diversity "in a positive way."

This seemingly innocuous revision is fast becoming a hideously complicated issue. Federal officials are well aware that the census form forces millions of Americans to identify themselves as "Other," which sounds faintly diminishing. They are also aware that the current racial categories do not depict the nation's increasingly fluid demographics. "The problem is that the country is changing at a very rapid rate now, and the categories have not changed for the last 20 years," says Ohio Rep. Thomas C. Sawyer. "The [census] numbers may be precise, but they are precisely wrong. They do not reflect the reality of who people think they are." In 1990, census officials say, Americans used a write-in blank on the census form to identify nearly 300 "races," 600 Indian tribes, 70 Hispanic groups and 75 combinations of multiracial ancestry—including one person self-identified as "black/Hmong."

Viewed as a matter of individual choice, the census-form issue looks like healthy self-assertion for those who feel themselves confined by America's traditional beliefs about race identity. It is that—but it is also a potentially major political issue. If significant numbers of blacks and Hispanics begin to check the proposed multiracial box, that shift could trigger changes in census-based formulas used to distribute federal aid to minorities. It could also undermine part of the Voting Rights Act that requires so-called minority districting for blacks and Hispanics in congressional elections. And some speculate that it could lead to an expansion of affirmative action for previously ineligible minority groups.

ALL THIS REMAINS SO MUCH SPECULATION UNTIL (AND unless) the census form is changed. But the demand for recognition by emerging multiethnic and multiracial groups is a clear rejection of the binary view of race and the one-drop rule as well. As such, it implicitly threatens the tradition of black solidarity on the long march toward social equality. Black intellectuals and political activists already recognize that possibility, and some are worried by the prospect of change. Since a great many black Americans can clearly claim to be biracial, the worst-case scenario is that black solidarity will slowly erode because of "defections" to multiethnic status. But not everyone agrees. "I don't think there are *any* political implications," says Bill Lynch, a former deputy mayor of New York. "It's no different from checking the 'Other' box."

And what if multiethnicity is the way out of our binary stalemate? Orlando Patterson, for one, takes exactly that view. "If your object is the eventual integration of the races, a mixed-race or middle group is something you'd want to see developing," he says. "The middle group grows larger and larger, and the races eventually blend." Patterson knows that whites are wary and that blacks are warier still. But he thinks the amount of social interaction between the races is already "surprising," and he insists there is "nothing fundamental" about American society to block the ultimate blending of black and white. All it requires is patience, faith—and a measure of good will.

With SUSAN MILLER, GREGORY BEALS *and* REGINA ELAM *in New York*

LEFT TO RIGHT: LILIANA NIETO DEL RIO—JB PICTURES, P. FORDEN—SYGMA, RICK MAIMAN—SYGMA

SOCIETY

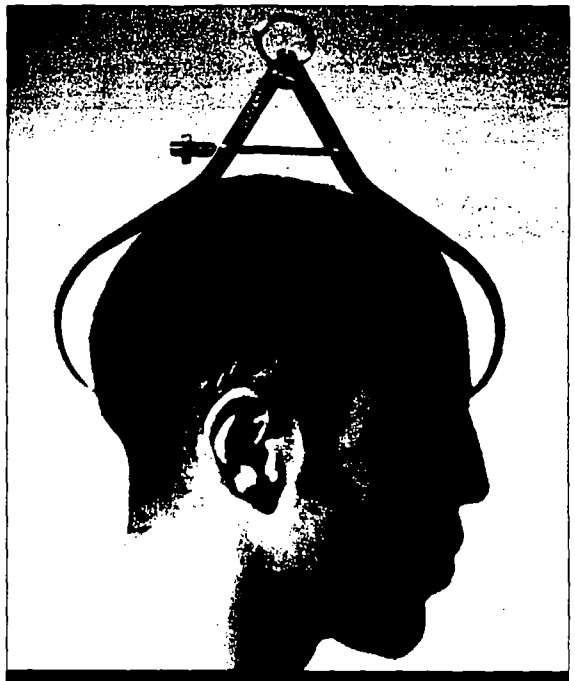
THREE IS NOT ENOUGH

Surprising new lessons from the controversial science of race

BY SHARON BEGLEY

TO MOST AMERICANS RACE IS AS PLAIN AS THE COLor of the nose on your face. Sure, some light-skinned blacks, in some neighborhoods, are taken for Italians, and some Turks are confused with Argentines. But even in the children of biracial couples, racial ancestry is writ large—in the hue of the skin and the shape of the lips, the size of the brow and the bridge of the nose. It is no harder to trace than it is to judge which basic colors in a box of Crayolas were combined to make tangerine or burnt umber. Even with racial mixing, the existence of primary races is as obvious as the existence of primary colors.

Or is it? C. Loring Brace has his own ideas about where race resides, and it isn't in skin color. If our eyes could perceive more than the superficial, we might find race in chromosome 11: there lies the gene for hemoglobin. If you divide humankind by which of two forms of the gene each person has, then equatorial Africans, Italians and Greeks fall into the "sickle-cell race"; Swedes and South Africa's Xhosas (Nelson Mandela's ethnic group) are in the healthy-hemoglobin race. Or do you prefer to group people by whether they have epicanthic eye folds, which produce the "Asian" eye? Then the !Kung San (Bushmen) belong with the Japanese and Chinese. Depending on which trait you choose to demarcate races, "you won't get anything that remotely tracks conventional [race] categories," says anthropologist Alan Goodman, dean of natural science at Hampshire College.



MEASURE FOR MEASURE: Forensic sleuths can tell the 'ethnicity' of a corpse by measuring its skull. For them, race isn't an issue.

PHOTO ILLUSTRATION BY RONALD BAXTER SMITH

The notion of race is under withering attack for political and cultural reasons—not to mention practical ones like what to label the child of a Ghanaian and a Norwegian. But scientists got there first. Their doubts about the conventional racial categories—black, white, Asian—have nothing to do with a sappy "we are all the same" ideology. Just the reverse. "Human variation is very, very real," says Goodman. "But race, as a way of organizing [what we know about that variation], is incredibly simplified and bastardized." Worse, it does not come close to explaining the astounding diversity of humankind—not its origins, not its extent, not its meaning. "There is no organizing principle by which you could put 5 billion people into so few categories in a way that would tell you anything important about humankind's diversity," says Michigan's Brace, who will lay out the case against race at the annual meeting of the American Association for the Advancement of Science.

About 70 percent of cultural anthropologists, and half of physical anthropologists, reject race as a biological category, according to a 1989 survey by Central Michigan University anthropologist Leonard Lieberman and colleagues. The truths of science are not decided by majority vote, of course. Empirical evidence, woven into a theoretical whole, is what matters. The threads of the argument against the standard racial categories:

■ **Genes:** In 1972, population biologist Richard Lewontin of Harvard University laid out the genetic case against race. Analyzing 17 genetic markers in 168 populations such as Austrians, Thais and Apaches, he found that there is more genetic difference within one race than there is between that race and another. Only 6.3 percent of the genetic differences could be explained by the individuals' belonging to different races. That is, if you pick at random any two "blacks" walking along the street, and analyze their 23 pairs of chromosomes, you will probably find that their genes have less in common than do the genes of one of them with that of a random "white" person. Last year the Human Genome Diversity Project used 1990s genetics to extend Lewontin's analysis. Its conclusion: genetic variation from one individual to another of the same "race" swamps the average differences between racial groupings. The more we learn about humankind's genetic differences, says geneticist Luca Cavalli-Sforza of Stanford University, who chairs the committee that directs the biodiversity project, the more we see that they have almost nothing to do with what we call race.

■ **Traits:** As sickle-cell "races" and epicanthic-fold "races" show, there are as many ways to group people as there are traits. That is because "racial" traits are what statisticians call nonconcordant. Lack of concordance means that sorting people according to *these* traits produces different groupings than you get in sorting them by *those* (equally valid) traits. When biologist Jared

NEWSWEEK POLL

Race relations in the U.S. are:

	BLACKS	WHITES
Excellent	2%	1%
Good	10%	22%
Fair	45%	44%
Poor	41%	31%

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Diamond of UCLA surveyed half a dozen traits for a recent issue of Discover magazine, he found that, depending on which traits you pick, you can form very surprising "races." Take the scooped-out shape of the back of the front teeth, a standard "Asian" trait. Native Americans and Swedes have these shovel-shaped incisors, too, and so would fall in the same race. Is biochemistry better? Norwegians, Arabians, north Indians and the Fulani of northern Nigeria, notes Diamond, fall into the "lactase race" (the lactase enzyme digests milk sugar). Everyone else—other Africans, Japanese, Native Americans—forms the "lactase-deprived race" (their ancestors did not drink milk from cows or goats and hence never evolved the lactase gene). How about blood types, the familiar A, B and O groups? Then Germans and New Guineans, populations that have the same percentages of each type, are in one race; Estonians and Japanese comprise a separate one for the same reason, notes anthropologist Jonathan Marks of Yale University. Depending on which traits are chosen, "we could place Swedes in the same race as either Xhosas, Fulani, the Ainu of Japan or Italians," writes Diamond.

■ **Subjectivity:** If race is a valid biological concept, anyone in any culture should be able to look at any individual and say, Aha, you are a . . . It should not be the case, as French tennis star Yannick Noah said a few years ago, that "in Africa I am white, and in France I am black" (his mother is French and his father is from Cameroon). "While biological traits give the impression that race is a biological unit of nature," says anthropologist George Armelagos of Emory University, "it remains a cultural construct. The boundaries between races depends on the classifier's own cultural norms."

■ **Evolution:** Scholars who believe in the biological validity of race argue that the groupings reflect human prehistory. That is, populations that evolved together, and separately from others, constitute a race. This school of thought holds that blacks should all be in one race because they are descended from people who stayed on the continent where humanity began. Asians, epitomized by the Chinese, should be another race because they are the children of groups who walked north and east until they reached the Pacific. Whites of the pale, blond variety should be another because their ancestors filled Europe. Because of their appearance, these populations represent the extremes, the archetypes, of human diversity—the reds, blues and yellows from which you can make every other hue. "But if you use these archetypes as your groups you have classified only a very tiny proportion of the world's people, which is not very useful," says Marks, whose incisive new book "Human Biodiversity" *(321 pages. Walter de Gruyter. $23.95)* deconstructs race. "Also, as people walked out of Africa, they were differentiating along the way. Equating 'extreme' with 'primordial' is not supported by history."

Often, shared traits are a sign of shared heritage—racial heritage. "Shared traits are not random," says Alice Brues, an anthropologist at the University of Colorado. "Within a continent, you of course have a number of variants [on basic traits], but some are characteristic of the larger area, too. So it's natural to look for these major divisions. It simplifies your thinking." A wide distribution of traits, however, makes them suspect as evidence of a shared heritage. The dark skin of Somalis and Ghanaians, for instance, indicates that they evolved under the same selective force (a sunny climate). But that's all it shows. It does *not* show that they are any more closely related, in the sense of sharing more genes, than either is to Greeks. Calling Somalis and Ghanaians "black" therefore sheds no further light on their evolutionary history and implies—wrongly—that they are more closely related to each other than either is to someone of a different "race." Similarly, the long noses of North Africans and northern Europeans reveal that they evolved in dry or cold climates (the nose moistens air before the air reaches the lungs, and longer noses moisten more air). The tall, thin bodies of Kenya's Masai evolved to dissipate heat; Eskimos evolved short, squat bodies to retain it. Calling these peoples "different races" adds nothing to that understanding.

Where did the three standard racial divisions come from? They entered the social, and scientific, consciousness during the Age of Exploration. Loring Brace doesn't think it's a coincidence that the standard races represent peoples who, as he puts it, "lived at the end of the Europeans' trade routes"—in Africa and China—in the days after Prince Henry the Navigator set sail. Before Europeans took to the seas, there was little perception of races. If villagers began to look different to an Englishman riding a horse from France to Italy and on to Greece, the change was too subtle to inspire notions of races. But if the English sailor left Lisbon Harbor and dropped anchor off the Kingdom of Niger, people looked so different he felt compelled to invent a scheme to explain the world—and, perhaps, distance himself from the Africans.

Next time, census takers ought to carry palettes, too.

In 1990, Americans claimed membership in nearly 300 races or ethnic groups and 600 American Indian tribes. Hispanics had 70 categories of their own.

This habit of sorting the world's peoples into a small number of groups got its first scientific gloss from Swedish taxonomist Carolus Linnaeus. (Linnaeus is best known for his system of classifying living things by genus and species—*Escherichia coli, Homo sapiens* and the rest.) In 1758 he declared that humanity falls into four races: white (Europeans), red (Native Americans), dark (Asians) and black (Africans). Linnaeus said that Native Americans (who in the 1940s got grouped with Asians) were ruled by custom. Africans were indolent and negligent, and Europeans were inventive and gentle, said Linnaeus. Leave aside the racist undertones (not to mention the oddity of ascribing gentleness to the group that perpetrated the Crusades and Inquisition): that alone should not undermine its validity. More worrisome is that the notion and the specifics of race predate genetics, evolutionary biology and the science of human origins. With the revolutions in those fields, how is it that the 18th-century scheme of race retains its powerful hold? Consider these arguments:

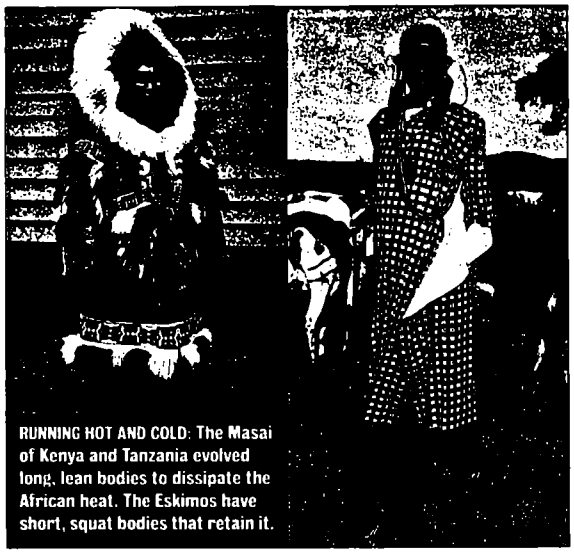
■ **If I parachute into Nairobi, I know I'm not in Oslo:** Colorado's Alice Brues uses this image to argue that denying the reality of race flies in the face of common sense. But the parachutists, if

they were familiar with the great range of human diversity, could also tell that they were in Nairobi rather than Abidjan—east Africans don't look much like west Africans. They could also tell they were in Istanbul rather than Oslo, even though Turks and Norwegians are both called Caucasian.

■ **DOA, *male*, 5'11" . . . *black:*** When U.S. police call in a forensic anthropologist to identify the race of a skeleton, the scientist comes through 80 to 85 percent of the time. If race has no biological validity, how can the sleuths get it right so often? The forensic anthropologist could, with enough information about bone structure and genetic markers, identify the region from which the corpse came—south and west Africa, Southeast Asia and China, Northern and Western Europe. It just so happens that the police would call corpses from the first two countries black, from the middle two Asian, and the last pair white. But lumping these six distinct populations into three groups of two serves no biological purpose, only a social convention. The larger grouping may reflect how society views humankind's diversity, but does not explain it.



NOSE KNOWS: Traits such as nose size reflect the impact of evolution on a population. Indians (left) who evolved in cold or dry climates such as Kashmir have long noses, which more efficiently add moisture to air headed for the lungs. Asians in the humid tropics have shorter noses.



RUNNING HOT AND COLD: The Masai of Kenya and Tanzania evolved long, lean bodies to dissipate the African heat. The Eskimos have short, squat bodies that retain it.

■ **African-Americans have more hypertension:** If race is not real, how can researchers say that blacks have higher rates of infant mortality, lower rates of osteoporosis and a higher incidence of hypertension? Because a social construct can have biological effects, says epidemiologist Robert Hahn of the U.S. Centers for Disease Control and Prevention. Consider hypertension among African-Americans. Roughly 34 percent have high blood pressure, compared with about 16 percent of whites. But William Dressler finds the greatest incidence of hypertension among blacks who are upwardly mobile achievers. "That's probably because in mundane interactions, from the bank to the grocery store, they are treated in ways that do not coincide with their self-image as respectable achievers," says Dressler, an anthropologist at the University of Alabama. "And the upwardly mobile are more likely to encounter discriminatory white culture." Lab studies show that stressful situations—like being followed in grocery stores as if you were a shoplifter—elevate blood pressure and lead to vascular changes that cause hypertension. "In this case, race captures social factors such as the experience of discrimination," says sociologist David Williams of the University of Michigan. Further evidence that hypertension has more to do with society than with biology: black Africans have among the lowest rates of hypertension in the world.

If race is not a biological explanation of hypertension, can it offer a biological explanation of something as complex as intelligence? Psychologists are among the strongest proponents of retaining the three conventional racial categories. It organizes and explains their data in the most parsimonious way, as Charles Murray and Richard Herrnstein argue in "The Bell Curve." But anthropologists say that such conclusions are built on a foundation of sand. If nothing else, argues Brace, every ethnic group evolved under conditions where intelligence was a requirement for survival. If there are intelligence "genes," they must be in all ethnic groups equally: differences in intelligence must be a cultural and social artifact.

SCIENTISTS WHO doubt the biological meaningfulness of race are not nihilists. They just prefer another way of capturing, and explaining, the great diversity of humankind. Even today most of the world's peoples marry within their own group. Intramarriage preserves features—fleshy lips, small ears, wide-set eyes—that arose by a chance genetic mutation long ago. Grouping people by geographic origins—better known as ethnicity—"is more correct both in a statistical sense and in understanding the history of human variation," says Hampshire's Goodman. Ethnicity also serves as a proxy for differences—from diet to a history of discrimination—that can have real biological and behavioral effects.

In a 1942 book, anthropologist Ashley Montagu called race "Man's Most Dangerous Myth." If it is, then our most ingenuous myth must be that we sort humankind into groups in order to understand the meaning and origin of humankind's diversity. That isn't the reason at all; a greater number of smaller groupings, like ethnicities, does a better job. The obsession with broad categories is so powerful as to seem a neurological imperative. Changing our thinking about race will require a revolution in thought as profound, and profoundly unsettling, as anything science has ever demanded. What these researchers are talking about is changing the way in which we see the world—and each other. But before that can happen, we must do more than understand the biologist's suspicions about race. We must ask science, also, why it is that we are so intent on sorting humanity into so few groups—us and Other—in the first place. ■

CLOCKWISE FROM TOP LEFT: CARDONI – BRUCE COLEMAN; PORTERFIELD-CHICKERING – PHOTO RESEARCHERS; BILDARCHIV OKAPIA – PHOTO RESEARCHERS; PORTERFIELD-CHICKERING – PHOTO RESEARCHERS

SOCIETY

ONE DROP OF BLOODY HISTORY

Americans have always defined themselves on the basis of race

BY ELLIS COSE

TELLING WHITES THEY ARE BLACK IS NOT A TASK FOR the tactless; and Shirlee Haizlip makes every effort to be kind. After getting her quarry on the line, she identifies herself as a cousin—long-lost, she explains, as a result of a "family secret." After they have chatted long enough to achieve a certain intimacy, Haizlip divulges her news: that their great-grandfather was once a slave. Invariably the reaction is the same. The person on the other end asks, "A *black* slave?"

That's not an idle question. In America—still—one drop of "black blood" is enough to change one's complexion.

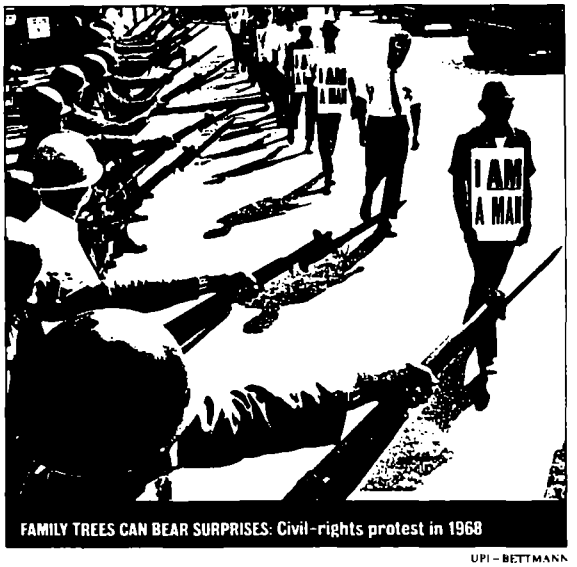
"The Sweeter the Juice," Haizlip's first book, documented her search for an aunt and ultimately an entire branch of the family that had "become white." She's now working on a sequel about her relatives who discovered they are not quite as white as they thought. One newly found cousin confided that when trouble recently broke out among some blacks, she said, "There they go again." She then reminded herself, "I can't say that anymore because they are me."

Americans have always defined themselves largely on the basis of race. The nation's first citizenship statute, passed in 1790, limited naturalization to "aliens being free white persons." That law (though amended to grant citizenship rights to blacks after the Civil War) stood until 1952. It forced generations of nonwhite petitioners, including natives of India and Japan, to try to prove—as late as the 1940s—that they were "white."

Even many people who seemed indisputably white were not automatically welcome. Congress severely restricted immigration in 1924 of so-called "inferior" races from southern and eastern Europe. In due course, of course, Italians and Romanians were deemed to be perfectly acceptable. As F. James Davis, a sociologist and author of "Who Is Black?" observed, "other racial minorities . . . can be absorbed if they become one-fourth or less of that ancestry." But because people are so accustomed to classifying anyone with any African heritage as black, he says, most Americans "don't even think" to view blacks the same way as other immigrant groups.

The definition of black was not always so rigid. Though some colonies passed laws penalizing white men and women who became sexually involved with blacks, all free mulattoes were not considered black. Prior to the Civil War, several Southern states allowed people of mixed black-white descent to be defined either as white or as something between black and white. After the war, tolerance for racial ambiguity and mulatto privilege gradually evaporated. In the ensuing decades, white Southerners passed laws that lowered and ultimately decreased to zero the percentage of "black" genes whites could have.

In Virginia during the 1800s, someone with less than one-fourth "Negro blood" could be white. In 1910, the state codified what had already become custom: white was defined as having less than one-sixteenth "Negro ancestry." By 1924, urged on by white supremacists, legislators prohibited whites from marrying anyone with "a single drop of Negro blood." Other states, in the North as well as in the South, adopted a similarly restrictive view.



FAMILY TREES CAN BEAR SURPRISES: Civil-rights protest in 1968

UPI—BETTMANN

Demographics are political destiny. The U.S. Census Bureau projects that by 2010, Hispanics will become the largest minority in the land.

Though many of the racial-classification statutes no longer exist, the tradition continues. As recently as 1986, the U.S. Supreme Court let stand a lower-court ruling forcing a Louisiana woman with negligible African heritage to be legally defined as black.

This history surprises—and shames—many Americans, but it positively bewilders many new immigrants. Latinos in particular are confounded by a system that does not reflect the complexity of race as they understand it. Samuel Betances, a sociology professor at Northeastern Illinois University, points out that many Latinos are more strongly attached to their cultural or language enclaves than to their presumed racial "interest groups." They "don't understand why race is so important to African-Americans," he says.

The Latin American experience doesn't exactly offer reassurance that more fluid racial categories are better. Latino cultures aren't characterized by bitter racial bickering, but they

are far from colorblind. An array of Latin American terms have arisen to describe various racial combinations, with the most pejorative ones reserved for people of dark hue and *pelo malo*—or bad (meaning kinky) hair. Status in some Latin societies is so linked to color that *mejorando la raza*—bettering the race—is taken to mean marrying someone lighter in order to have whiter children. Uruguayan writer Eduardo Galeano observes: "In the Dominican Republic there are a lot of black people, but you never see 'black' listed as skin color on their identity card . . . It would damage the possibilities for work, for a social life."

Such attitudes are familiar to African-Americans, too. Having been penalized for being black, having been bombarded with cultural messages saying that "light makes right and might," many black Americans resist the idea of adding yet more categories of color. "I very much oppose diluting the power and the strength of numbers as they affect legal decisions about race in this country," said civil-rights activist Julian Bond.

Labeling may be a symptom and not the problem itself. "Suppose from the beginning race was considered, but it was considered for purposes of inclusiveness," argues Theodore Shaw, associate director-counsel of the NAACP Legal Defense and Education Fund. "Then it wouldn't have this history of odiousness." Changing racial designations certainly will not erase America's exclusionary history or reverse attitudes shaped by centuries of racial stereotypes. In the end, what we call people matters a lot less than how we treat them; and until we can figure out a way to treat them as if race doesn't matter, any new designations will, in time, become as loathsome as the old. ■

THE LOVING GENERATION

Biracial children seek their own place

AS THE CIVIL-RIGHTS movement rolled across the land 40 years ago, one barrier after another fell before it. Schools. Lunch counters. Motels. Voting booths. Finally, anachronistically, the movement reached the wedding altar. In 1967 the U.S. Supreme Court struck down the last anti-miscegenation law in the nation. The case was eponymous: *Loving v. Virginia*. The decision meant that what God had put together, Jim Crow could not put asunder. Steadily since then, in the pursuit of love—and sometimes idealism, too—the "Loving generation" has been born. Now it numbers hundreds of thousands of children from interracial marriages. They've come of age demanding visibility, acceptance—and in some cases a separate identity as neither black nor white.



IDENTITIES ARE SELDOM SIMPLE: The Brown family

LESTER SLOAN—NEWSWEEK

Like any self-respecting American interest group, they already have their own subculture. There are college campus groups: Prism at Harvard and Spectrum at Stanford. There are books: last year Lise Funderburg's "Black, White, Other"; this year, two compilations of essays charting the future of interracial America. There are magazines: New People and Interrace. And support groups, too: the Biracial Family Network of Chicago and San Francisco's I-Pride.

Fueling their movement is the bid to put a "multiracial" category on the next census, which is barely five years away. This sounds like a bureaucratic issue, but for some Americans it could not be more personal. At the moment, the census allows people to designate themselves as whites, blacks or "other," among other things. But identities are seldom so simple. Nancy Brown is white and married to an African-American man. She cofounded Multiracial Americans of Southern California after her two children were born and she discovered that there was no racial designation for them. "It's very hurtful to be told your child has to identify with one race when there are two participants in the union," says Brown. "It can be psychologically damaging to kids not to be able to claim who they really are."

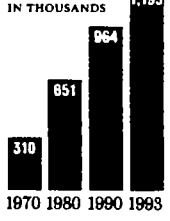
But some multiracial adults doubt that a new category will solve their identity problems. Joanne Hagopian, the daughter of a black father and a white mother, is so fair-skinned that she says she is always assumed to be white. She counsels interracial families in Milwaukee, where she says that white people make racist comments about blacks to her all the time. Though she understands the push for a census change, she says, "The long-term consequences of a multiracial category are going to be negative. If we legislate an identity, then we won't have to talk about racism."

Some blacks are critical of the way the multiracial movement has narrowly defined itself to exclude people whose mixed ancestry goes farther back. Singer Vanessa Williams, for instance, has hazel eyes and fair skin—but she isn't considered multiracial because both of her parents are African-American. The more contentious issue: would the new category give lighter-skinned people a further leg up the American social ladder? "Skin color in the black community is still very much an issue. And to think that a group of people want to be further distinguished is really bullsh—," says Spike Lee, whose movie "School Daze" explored the issue. As the census decision nears—it's due by 1997—the debate will heat up. For now, this group is just happy not to be invisible anymore.

CONNIE LESLIE *with* REGINA ELAM *and* ALLISON SAMUELS *in New York and* DANZY SENNA *in Los Angeles*

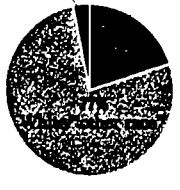
Interracial married couples

IN THOUSANDS



1993 interracial marriage breakdown

2% Black/"other race"



SOURCE: U.S. CENSUS STATISTICS



LIBRARY OF CONGRESS

Heading north: *A Florida family packs up for the great migration*

When Heaven Turned to Hell

Television: Documenting the epic black migration

IN THE FLICKERING BLACK-AND-WHITE footage, a woman is picking cotton, dragging a sack behind her on which an infant sits. This scene from some forgotten archive is an archetypal image of the black sharecropper's life in Mississippi. It's one of thousands of riveting images in the five-part documentary **The Promised Land,** which will air on The Discovery Channel starting Feb. 12. Produced by the BBC in association with Discovery, it was inspired by Nicholas Lemann's powerful 1991 book. The series presents an American epic, the migration of more than 5 million blacks from the rural South to the urban North between 1940 and 1970. "The greatest peacetime migration in U.S. history" was largely unnoticed by whites and brought about wrenching changes in our society.

American rhythm: It's ironic that this quintessentially American story should be told by Brits. But BBC producer Anthony Geffen, with directors Edmund Coulthard and Nick Godwin and writer Mark Hayhurst, have given "The Promised Land" an intensely American rhythm, propelled by an extraordinary score by artists such as jazzman Louis Armstrong, blues singer Bessie Smith and rap group Public Enemy and original music by Terence Blanchard, who scored Spike Lee's "Malcolm X." Narrated by Morgan Freeman, each episode opens with an animated graphic based on Jacob Lawrence's classic series of paintings on the Great Migration.

But it's the faces, voices and personalities of the pilgrims themselves that give the series its power and poignance. The only one who appears in both the film and Lemann's book is Uless Carter, 77, a soft-spoken, elegant man who describes the system of sharecropping in Mississippi. It was really an extension of slavery in which black farmers got no wages, merely the promise of sharing in the profits. Usually the share was zero after deductions of the price of staples bought at the plantation store. With a laughter distilled from years of anger, Carter says his father was told by a plantation owner that he wasn't going to be paid because "I have to send my son to college."

This system drove many blacks northward, to a legendary Chicago that seemed to call to them in the siren song of train whistles. In one memorable shot a locomotive appears, head-on in slow motion out of the mist, like the famous shot of Lawrence of Arabia emerging from the desert in David Lean's film. Vernon Jarrett, who became a leading journalist, says: "You couldn't do without the train spiritually. It was the vehicle that could take you to heaven before you died. Heaven meaning away from here."

Boogie-woogie: Some, like Uless Carter, went to Chicago by bus. He recalls how the white ticket woman angrily snapped "Chicago!" and wouldn't at first sell him his ticket. The bus races north to the strains of a boogie-woogie piano, cascading chords of optimism. Chicago, says the rich voice of Morgan Freeman, was "Cotton Clubs, not cotton fields." Jobs were plentiful. Uless Carter had two of them, working in one meatpacking plant by day and another by night. The urban promised land is evoked by footage and stills culled from outtakes of newsreels, long-unseen files in libraries, churches, schools, historic archives.

As the series proceeds, the music of promise turns to the dissonance of reality. The legal segregation of the South is succeeded by the North's de facto segregation. In the '60s Martin Luther King comes to Chicago to fight for better housing. We see him duck as a shot rings out. The youth gangs, formed in the 1960s by the children of the migrants, make the projects a battleground. Sharon King, a young mother, moves her dining table into the hallway to avoid the shots that are fired from window to window. James Hinton, who built himself an air-conditioning business, witnesses the shooting of his son by an addict. Hinton says: "Promised land—where? Promised land—what? Jobs—where? Now it's the absence of hope, the absence of realizable dreams."

The series lacks the analysis of policy and politics that informs Lemann's book, or any reflection of the debate that still rages over what went wrong to produce that tragic incubus, the underclass. But it brings home the human drama of this 20th-century "flight from Egypt" with compelling force. Uless Carter, who became a Baptist preacher in Chicago, returned, as did many others, to Mississippi. "I tell young people, thank God you didn't come along in my day. You're blessed." This blessing is a tragic paradox, the broken promise that makes "The Promised Land" an unforgettable experience.

JACK KROLL *with* ALDEN COHEN

Editorials & Op-Ed

Chgo. Trib.; 2-7-95

Let the good doctor be heard

If Dr. Henry W. Foster Jr. had made a career as an abortion clinic operator, the rush to criticize his selection as the next surgeon general would not seem out of the ordinary.

If he were prominent at one end of the abortion-debate spectrum, President Clinton would be taking the heat he'd asked for by forwarding such a vulnerable nominee to a Republican-controlled Senate quite respectful of the fact that abortion remains anathema to many Americans.

In fact, however, the Tennessee obstetrician-gynecologist, whom President Clinton picked last week to replace Dr. Joycelyn Elders, made a name for himself by delivering babies—thousands and thousands of them—and by preaching abstinence to teenagers in two Nashville housing projects.

By all accounts, he is pretty far from a specialist in abortions, having performed, in his words, "fewer than a dozen" in a 30-year career.

Yet it is the abortions and the fact Foster serves on the board of Planned Parenthood of Tennessee that have inflamed anti-abortion groups and a number of Republican lawmakers altogether too eager to rush to judgment on the surgeon general nominee.

Sen. Dan Coats of Indiana, for one, called Foster "a former abortionist" and predicted a battle over his confirmation. Sen. Trent Lott of Mississippi said, "I do think it is in serious trouble."

Wait a minute here, senators. Let the good doctor have his day in the legislative hearing room first.

And in keeping with custom on such nominations, let the president have the surgeon general of his choice unless strong evidence emerges to show that he is unqualified.

That Foster performed abortions—most of them, he said, in cases involving rape or incest or danger to the mother's life—ought not automatically disqualify him.

Abortion is a legal medical procedure, after all, despite its opponents' ardent wishes to the contrary. It would be unusual for a veteran physician to be free of any experience with it.

Members of the Senate, where the Foster nomination will survive or die, ought to withhold judgment until after hearings. They should weigh the doctor's total record, too, including the I Have a Future program he started in Nashville to urge teenagers to delay sexual relations and childbearing.

"My view is we shouldn't shoot down somebody before he's even had a hearing," Senate Majority Leader Bob Dole said.

Quite right. If they want to do the fair, responsible thing, critics of Dr. Foster who have zeroed in on his "fewer than a dozen" abortions will hold their fire.

Balt. Sun; 2-8-95

Winning by Intimidation

By ELLEN GOODMAN

Boston.

In the scheme of things, Dr. Henry Foster is lucky. It's his nomination that's in jeopardy, not his life.

Dr. Foster doesn't need a security guard — yet — to go about his daily practice. No one is picketing his house or targeting his family. It's only his chance to become surgeon general that's under attack. The weapons this time are the fax and the phone, the press release and the media. The assault is political.

A few years ago, Dr. Foster was one of George Bush's thousand points of light. A few days ago, he became Bill Clinton's cautious pick for the bully pulpit from which Joycelyn Elders was so unceremoniously evicted. Now it appears that this ob-gyn, a man who delivered 10,000 babies, a former dean of a medical school and the force behind a teenage pregnancy prevention program, also performed abortions in his 30-year practice. This safe choice has become another target in the abortion war zone.

Suddenly, Sen. Bob Dole doesn't "like what I hear, what I read." Sen. Orrin Hatch says there are "some very troubling things concerning his nomination." Sen. Trent Lott thinks "it is in serious trouble." Now the pro-life movement, on the basis of a dubious transcript claims he performed 700 abortions. The president has added an "if" to his support for the Tennessean: "If the facts are as I understand them to be."

Dr. Foster is losing his footing. He is sliding down the verbal slippery slope that is greased so regularly by extremists in the pro-life movement.

On their slope, doctors who perform abortions are labeled "abortion doctors" as if they were a species beyond the medical pale. "Abortion docs" are further marginalized as "abortionists" with the M.D. excised altogether. Finally they are branded as "murderers." Thus a doctor is turned into a demon. At the bottom of the slope lie the bodies of two doctors in Pensacola, Florida, and two clinic workers in Brookline, Massachusetts. Now, other doctors go to work wearing bulletproof vests and go to sleep with rifles by their beds. Many are simply scared off.

No one has yet called the dignified 61-year-old Dr. Foster a "murderer." At least not in public. Nor has his name been added to the hit list of the "Deadly Dozen" doctors distributed just last month — complete with names and addresses — by the American Coalition of Life Activists.

But the push to disqualify this man from public service because he performed abortions is another way to make doctors outcasts. It's part of the effort to make abortion a pariah medical service — illegitimate if not illegal. It's part of the plan by opponents to win by intimidation. To target what they see as the "weak link" in abortion rights — the 3,000 or so doctors who perform most of the 1.5 million abortions a year.

If Dr. Foster is banned from public office because he performed a legal medical procedure, then what about the others? The doctors, the nurses, the counselors, the clinic workers, indeed, the women who have had abortions? They would all, as pro-choice leader Kate Michelman said, be branded with the same scarlet "A."

I am uncomfortable with those who defend Dr. Foster on the grounds that he only performed a few abortions or that he did them for good reasons — for the health of the mother, for rape or incest. If his appointment hinges on the right number of abortions or the right kind of abortions, it is still a litmus test on the right to perform abortions.

As head of the public health service, the surgeon general is in the business of prevention. Public-health workers are the medical people who go to the source of the problem. In this case the source of the problem at the front of national consciousness is unwed teen-age pregnancy. This is where Dr. Foster has spent his energy, in a program called appropriately, "I Have a Future." It's the campaign he's been assigned to wage by the president.

Doctors of his generation are old enough to remember when women died from illegal abortions. They are old enough to have seen the need for this choice and old enough to have seen the sorrow of facing such a choice. It's not a cliche, but a lifetime of experience, that prompts such a man to say of abortion: "My wish is that it be safe, legal and rare."

This is what most Americans wish. How then did Dr. Foster become such a tempting target?

We live in an era when doctors are being threatened and killed. Their names are on Wanted Posters. Their clinics are on terrorists' maps. Yet politicians still believe they can appease the people in this increasingly radical movement.

Now Henry Foster, a "safe choice," a man who made his mark working to reduce teen-age pregnancies, is under attack. And now too we will find out which politicians have the courage to defend one doctor from the folks who make up the hit lists.

Ellen Goodman is a syndicated columnist.

Joseph A. Califano Jr.
Wash. Post; 2-8-95

The Medicalization of Teen Pregnancy

Dumping the issue on the surgeon general ignores the lessons of the past 20 years and is doomed to fail.

In the late 1970s, 1 million teenagers—about one in nine 15- to 19-year-old girls—got pregnant each year. I was the Carter administration's point man on the issue, because inside the Beltway we treated it largely as a health matter, and I was secretary of health.

In the mid-1990s, 1 million teenagers—about one in nine 15- to 19-year-old girls—get pregnant each year, and President Clinton has nominated a new surgeon general to attack the problem. I wish him luck, but I fear that Washington's continued medicalization of teen pregnancy and dumping the issue on the surgeon general—a health post that carries with it little staff, no programmatic budgets and no clout in the federal bureaucracy—ignores the lessons of the past 20 years and is doomed to fail.

Sexual intercourse among teens does create an enormous demand for medical treatment. Many sexually active teens become victims or transmitters of diseases like AIDS and gonorrhea. Of the million teens who become pregnant each year, about 400,000 have abortions, which for some can create or aggravate mental health problems. Of the more than 500,000 who don't have abortions or miscarriages, thousands have pregnancies complicated by maternal smoking, drinking or drug abuse and by premature delivery and low-weight babies. The health system is responsible for dealing with medical matters such as these. Biomedical science can also contribute discoveries, such as condoms and other contraceptive devices, that reduce the incidence of pregnancy and curb transmission of sexually transmitted diseases.

But medicalization over 20 years has not reduced teen pregnancy in America, nor has it stemmed the spread of sexually transmitted diseases among teens. Life for American teenagers is not just a bowl of condoms.

Today, more unmarried teens are having children. Almost 80 percent of unmarried women who have a child before finishing high school live in poverty. Teen pregnancy costs the government more than $34 billion a year in welfare payments ($13 billion), Medicaid bills ($15 billion) and food stamps ($6 billion).

The persistence of the problem is a sorry reflection of the social forces at large for the past 20 years: poverty and broken families that lead some teens to seek love and status by having a baby, anything-goes moral standards, the declining authority of family, church and school and a mass culture that treats sex not as a serious personal responsibility—often not even as an act of love—but as a glittering consumer item to be exploited and consumed at the moment of desire. Our teens grow up in a society where personal discipline is more necessary—and less popular—than ever. And for them, popularity is everything.

Sex education is not simply a medical subject. It is most effective in elementary and secondary schools in tempering promiscuous conduct and teen pregnancy where students share the same values. Parochial schools where children profess the same religious beliefs (whether Christian, Jewish or Muslim) and schools in rural areas where parents share common values are more likely to have effective programs than are large urban schools, where concern for social and religious differences drives school officials to medicalize sex education, and in the process detach teen sexual conduct from human and moral values.

What many call sexual liberation has brought with it unhappy consequences for millions of teens: the pressure to experiment with adult behavior before they are ready, emotionally, economically or morally, to shoulder adult responsibility, and the wrenching disruption of life and education caused by an unintended pregnancy and its consequences. This is not liberation. It is bondage for the child-mother and the mother's child.



BY JOHN OVERMYER

Responsibility to deter conduct that causes teen pregnancy—promiscuity, alcohol or drug use, failure to use a condom, lack of a loving family, lack of hope—rests not with the U.S. surgeon general, federal bureaucrats and politicians but with parents in the first instance, as well as with teachers, social workers, clergy and those who set the moral standards and mores of our times. By medicalizing the teenage pregnancy crisis we have relieved them of their responsibility and trivialized the complexity of the solutions.

Dealing with teenage pregnancy requires a one-on-one discussion of values and morality, something difficult to do for a Washington political appointee. Such discussions best take place between parent and child or (and this is especially important for children with no families) in the privacy of a school counselor's office, parish house or community or local government social service agency.

For most of us the birth of a child is an occasion of great joy and hope, a consecration of new life. But for hundreds of thousands of teenagers—particularly the majority who are unmarried—the birth of a child can usher in a dismal future of unemployment, poverty, family breakdown, emotional stress, dependency on public agencies, alcohol and drug addiction and health problems for mother and child. Preventing such tragedy and comforting those in such pain requires a lot more than a medical degree and a fancy federal title.

The writer, secretary of health, education and welfare from 1977 to 1979, is president of the Center on Addiction and Substance Abuse at Columbia University.

Wash. Times; 2-8-95

Reincarnation . . .

CAL THOMAS

. . . and obfuscation?

MONA CHAREN

The nomination of Henry W. Foster Jr. to replace Joycelyn Elders as surgeon general is another sign that the Clinton administration has completely failed to understand the message of the last election. It continues to impose on this country people and policies rooted in a philosophy that has proved to be an utter failure.

Dr. Foster was less than forthcoming about his views and how many abortions he has performed. Even the pro-choice Kansas Republican Sen. Nancy Kassebaum said she was disturbed by the misleading information given to her by the White House concerning Dr. Foster.

But there is more to this than misinformation and disinformation. Dr. Foster has close ties to Planned Parenthood, which has a view of sex and education that has exacerbated, not solved, one of the major problems our country faces. Planned Parenthood is not interested in changing sexual behavior but rather in avoiding the unwanted physical consequences of premature sex. Yet one has to wonder why it has failed so miserably in achieving that objective. California may be the best state to judge the results of the philosophy held by Planned Parenthood and its devotees, who include the nominee for surgeon general.



Henry W. Foster Jr.

Mike Males, a graduate student in the doctoral program of the School of Social Ecology at the University of California, Irvine, has studied tabulations from the California Center for Health Statistics covering 46,500 births among school-age (ages 18 and younger) adolescents in the state in 1993. In 85 percent of these births the fathers' ages are identified. The statistics show two very different types of "teen-age" motherhood.

The first involves peer schoolboy partners, ages 18 and younger, who average about one year older than their girlfriends. These are the targets of the Elders-Foster-Planned Parenthood condom squads and the focus of the chastity vs. condoms war. Boys in this category accounted for about 13,400 births among schoolgirls in California in 1993, only 29 percent of the total.

In 33,200 births among California girls ages 11-18 (71 percent of the total), the father was a post-high-school adult man averaging over 22 years of age — five years older than the mother, on average. These adult fathers who are responsible for nearly three-fourths of the 40,700 births among senior high girls average nearly 23 years old. The adult men who father half the 5,900 births among junior high girls (ages 11-15) average 22.1 years of age, 6½ years older than the mothers. In 6,000 births among California schoolgirls in 1993, the fathers were over age 25. Also surprising was that one-fifth of the births fathered by schoolboys (about 3,000) were by adult, post-school women.

As Mr. Males notes, this isn't about "children having children" or "teen motherhood." It is adult sex with school-age youths.

For more than 30 years, Planned Parenthood and its disciples such as Drs. Elders and Foster have targeted elementary school children with their brand of sex education. Dr. Elders wanted to teach elementary kids how to masturbate and use condoms. But in California in 1993, elementary schoolboys fathered no children. Senior high boys, though, were responsible for 41 percent of the births and adult men fathered more than 50 percent of babies born to girls between ages 11 and 15.

Numerous studies, including some by Planned Parenthood's research arm, the Alan Guttmacher Institute, show that most "sexually active" girls under 15 are victims of rape by substantially older men. Mr. Males writes it is a fact that "adolescents reflect adult values and behavior." We are deceiving ourselves when we think we can make adolescents behave differently than the irresponsible adults who surround them and who pump sex into everything from movies and television to music and advertising.

We would be far better off working to reduce the 71 percent figure (post-high-school adult men fathering children with teen-age girls) than focusing on the 29 percent figure (peer schoolboy partners).

Dr. Foster isn't really "Elders Lite"; he is Dr. Elders reincarnated. Her ideas have been proved not to work. His are just more of the same. We deserve a surgeon general who will focus on the real health needs of the country, not condone those whose behavior is detrimental to our society's well being. When is this administration going to get it?

Cal Thomas is a nationally syndicated columnist.

Wash. Times; 2-8-95

Cultural windshift

The pro-life movement must measure its victories in nuances. Roe vs. Wade will not be overturned any time soon. But there is movement in the culture.

The flap over the appointment of Dr. Henry Foster Jr. is an example of the progress made. When it was revealed that Dr. Foster had performed abortions, some commentators shrugged, saying, "What else can you expect? This is an administration wedded to the idea that abortion is a solemn right. Why should we be surprised that an appointee shares that view?"

But that isn't the point. The cheering news is that having performed abortions is now considered to be a stain on a physician's record. Even the White House was at pains to point out that Dr. Foster had delivered more than 10,000 babies — and stressed (beyond the point of credibility in my judgment) that the few abortions Dr. Foster did perform were all in cases of rape, incest or risk to the mother.

The White House also released an Orwellian statement saying Dr. Foster had "performed a full range of reproductive services." What, exactly, is "reproductive" about abortion?

The more the pro-choice forces are required to retreat into euphemism, evasion and obfuscation, the stronger the pro-life movement becomes. That the White House was embarrassed and defensive is a sign of movement.

Pro-choicers would love to keep the focus of debate on the stray acts of violence at abortion clinics. That's understandable. Only when they are being shot at can pro-abortion forces hold the moral high ground.

While it is undeniably important for pro-lifers to distance themselves from the violent fringe — indeed, to condemn it unambiguously — it is just as crucial to keep the focus of the abortion debate on the act itself.

Pro-choice groups call themselves "pro-choice" because they cannot bring themselves to admit that they are pro-abortion. They have had terrific success, thanks to a sympathetic press, in keeping the focus of discussion on the exceedingly rare instances of rape and incest rather than on the roughly 1.5 million abortions for convenience each year that this society tolerates.

In the February issue of First Things, Amherst College Professor Hadley Arkes is quoted as making the following suggestion: Wherever possible, legislatures should introduce laws outlawing third-trimester abortions. (Roe vs. Wade permits states to regulate abortions in the third trimester.) Mr. Arkes' point is not just to succeed — though, if enacted, such a law would bring to an end the 17,000 third-trimester abortions that are performed each year in the United States. But Mr. Arkes thinks the debate over such a law would have a wonderfully clarifying effect.

Pro-choice groups would almost certainly oppose such legislation. But on what grounds? Invoking the right of privacy would ring pretty hollow when the subject is a 7-, 8- or 9-month-old fetus — a baby in every way. Even if the continuation of the pregnancy presents a threat to the mother's life, there is every possibility that in the third trimester the child can be born alive.

Would pro-choicers argue that no one can force a woman to carry a child she does not want? That argument, too, loses much of its power when the pregnancy is already nearly complete. If the mother has managed this long, why not ask her to hang in there for a couple more months? Is that such a burden, compared with the child's right to life?

Nor can pro-choice types maintain that a woman cannot be unwillingly saddled with a child to raise. If the mother does not want the baby after birth, the child can be placed for adoption immediately.

The beauty of Mr. Arkes' idea is that it would force the debate in the direction it needs to go — toward the child at risk and away from bizarre and wrenching situations like rape and incest. A late-term fetus is very recognizably a baby. It is clear even to the most ardent abortionist that this is more than "a clump of protoplasm."

Dr. Foster will probably be confirmed. But there is no question that he would have emerged on the national scene with greater stature if probes of his past had revealed that he had declined to perform abortions. That is progress indeed.

Mona Charen is a nationally syndicated columnist.

Chgo. Trib.; 2-3-95

Time to practice tough love on welfare 'giveaways'

WASHINGTON—In his State of the Union address President Clinton declared "the epidemic of teen pregnancies and births where there is no marriage" to be "our most serious social problem"—a nice, if unacknowledged, nod to Charles Murray, who wrote just that in a famous 1993 Wall Street Journal article. Murray called for an end to welfare for unwed mothers. He argued that if you are serious about our most serious social problem, you remove the oxygen—welfare—that sustains it economically from one generation to the next.

The president, however, did not reach that

Charles Krauthammer

conclusion. He did not propose an end to welfare. Instead, he proposed a new federal program aimed at schools to reduce pregnancy.

The president's acknowledgement of the problem is laudable. And his desire to combat teen pregnancy is sincere. Only his logic is suspect. In addition to driver's ed and drug ed, schools will now have preg ed. Consider the balance of forces:

For a few minutes a week the federal government through some teacher will urge young girls and boys not to have kids. Yet that same federal government will through its policies be saying every day to every teenage girl in the country: Have a child, make sure it is out of wedlock, make sure you have no job or prospects, and we will then guarantee you a monthly check, free medical care, and (under the proposed Clinton welfare plan) two years' worth of job training and child care, also free.

Here is the core problem with neo-liberalism, the "reinventing government" liberalism President Clinton represents. It wants to undo the unintended consequences of liberalism's great social programs of the past—with yet more social programs. It is government with one foot on the brake to combat the other on the accelerator. The inevitable result is a system of contradiction and complexity, heat and waste.

A similar push-pull effect shows up in other kinds of welfare, the kinds highlighted in a stunning article in The Manhattan Institute's City Journal by Heather MacDonald called "Welfare's Next Vietnam." She points out that Supplemental Security Income, the Social Security Administration's disability program, is growing much faster than Aid to Families with Dependent Children (mother and kid welfare). Why? Because the definition of disability has been expanded far beyond its plain meaning and original intent. One rapidly growing category of disability recipient is misbehaving—aka "mentally disabled"—children. Another is addicts.

Most Americans have no idea that a quarter of a million of their fellows receive free medical care plus a government check of $458 a month for addiction to alcohol or drugs. They are supposed to be in treatment, but fewer than one in ten are. And some addicts, because of the delay in having their claims heard, receive initial, lump sum, retroactive payments of $15,000 to $20,000. These can go right up the nose.

Now, this is the very same government that is conducting a more than $15 billion-a-year war on drugs. AWACS planes and Delta squads and Coast Guard patrols and police and prosecutors by the thousands: all assigned to wipe out the scourge of drugs. And on the other hand, the same government subsidizes addiction, pumping billions of federal dollars into the drug trade. Indeed, writes MacDonald, "the addict has every reason not to conquer his addiction, since that would mean losing his benefits, including Medicaid."

The FBI and the Drug Enforcement Administration and the Pentagon proclaim "zero tolerance" for drugs. "SSA's response to addiction and alcoholism," writes MacDonald, "ranges from 'enlightened' tolerance ... to a sort of willed ignorance."

Push-pull. The fundamental problem of the welfare state is that any program that helps the disadvantaged is necessarily an encouragement to dependency. There is nothing new about this dilemma. The only thing new is the neo-liberal belief that an even more energetic government can solve the problem by adding yet more government interventions to the old ones.

The neo-liberal idea is to persuade or police people not to do what the government handout strongly encourages them to do. The conservative response must be to take away the handout. Establish a new criterion for government help: not "want" or even "need"—you and I need lots of things; need is not an entitlement to get from others—but need that results from a clear incapacity to help oneself.

For example, give SSI disability checks only to (1) those physically incapable of caring for themselves or (2) those mentally ill with real, incapacitating conditions such as chronic schizophrenia or profound retardation. Addicts—and school bullies now collecting as "mentally disabled"—need not apply.

Conservatism has a clear philosophical alternative to the neo-liberal welfare fixes. It should plainly say that the proper response to the catastrophic consequences of an old government intervention is not a new government intervention but a withdrawal of the first. Don't fix. Start over. Let's see if the new conservative Congress, now distracted with constitutional amendments and states' rights, can make that case.

Washington Post Writers Group

Wash. Times; 2-8-95

The satisfied customers of a medical savings plan

By Patrick J. Rooney

I heard the following story at a meeting of the Jackson Hole Group: If we bought cars the way we buy health care, sending the bill to our employer's insurance company, everyone would drive a Cadillac or a Lincoln, and they would buy a new one each year. And the Congressional Budget Office says the "normal discipline of the marketplace" doesn't work when you buy health care because someone else is paying for it.

We believe that if we are ever going to control health care costs, we must get the consumer involved in buying health care. That's why we support Medical Savings Accounts.

In early 1993, we were switching our employee health benefit program. Since the employees have heard me talking about the merits of MSAs, they asked our Human Resources department to let them have MSAs. We explained to them that if they wanted an MSA under the current tax law, our payroll department would have to withhold income and social security taxes. However, if they chose the traditional plan, the health benefits would have been tax-free.

Beginning in May 1993, we have been offering our employees a choice of health benefit plans. They could have either the traditional health insurance plan or an after-tax Medical Savings Account. On the anniversary date, they are able to switch to either plan, so there's no adverse selection. If they choose the traditional plan, they would have a $500 deductible and then a $1,000 coinsurance. The insurance pays 100 percent after that. If they choose the Medical Savings Accounts, the company deposits $2,000 in an MSA. Then there is a $1,000 out-of-pocket corridor until catastrophic coverage takes over and pays 100 percent. Thus the employees are responsible for the first $3,000 of medical care.

Withdrawals from the MSAs are allowed for three reasons: medical care, end of year and termination.

When it was first offered in 1993, 80 percent of the employees chose the MSAs. And at the end of 1993, we returned to our employees $468,000, an average of $603 per employee.

Participation in the MSA jumped to 90 percent in 1994, and, at the end of 1994, we were pleased to refund $734,037 to our employees, an average of $1,002 per employee.

In the 20 months since we have had MSAs, we have returned more than $1.2 million to our employees. At the end of each year, our employees could either save it in an annuity or take it as a year-end bonus. Since they paid taxes on the money throughout the year, we believed we were not entitled to keep it from them.

What impresses me is the consistency of the refunds. The refund for 1994 could have been predicted. In 1993, our employees had the MSAs for eight months. If you project the refund ($468,000) for the entire year, the 1994 refund is about $8 a month more than the refund for 1993. This is important because it shows me that our results in 1993 were not a fluke. The empirical evidence proves that MSAs can consistently control costs.

When Luntz Research Companies surveyed our employees, they found that 98 percent are satisfied with their MSAs. They were even more impressed with the intensity of the support. An overwhelming 95 percent are either "extremely" (63 percent) or "mostly" (32 percent) satisfied. According to Luntz Research, this is the highest satisfaction rate they have ever seen on any employee survey. Also, 97 percent are satisfied with how claims are handled. Luntz reports that other insurance plans are gratified with a 40 percent-45 percent satisfaction rate.

Again at the beginning of 1995, additional employees have switched from the traditional plan to the MSA plan. However, there is a unique situation at Golden Rule that will cause some employees to always retain the traditional insurance plan. Golden Rule made a policy decision that the people in the medical savings plan could not have any other health benefits. Thus, if the employee is also insured through a working spouse, the only way the employee can participate in the company-provided health benefits is by enrolling in the traditional insurance program.

Why did the employees like it so much? When you hear the stories, you'll understand. First, the lower-income employees like MSAs because the MSAs provide first-dollar coverage: no front-end deductible. This is especially beneficial to our single mothers. They know they have the money available to take their child to the doctor when the child is sick. They don't have to worry about finding the money. It's sitting right there in their MSA.

Second, we found that the employees are using the money in their accounts for health care services that they didn't use before, specifically preventive care, eye care and dental care.

Third, it is actually better for someone who is sick to be in the MSA plan because their out-of-pocket costs are less under MSA. For example, if an employee has a $50,000 medical bill, the employee would spend the $2,000 in their MSA and then pay the next $1,000 out-of-pocket before the insurance paid 100 percent. So, the employee out-of-pocket costs would be $1,000. Under the old plan, the employee's out-of-pocket costs are $1,500.

Fourth, our employees are shopping around for medical care. It's become a game at Golden Rule, as the employees talk about how much they can shake down the docs. For example, one employee was told she needed tests done at an Indianapolis hospital. She was told the cost would have been $785. After calling several hospitals, she was able to get the tests done for $114. She saved $671. Another employee negotiated close to $4,000 off her hospital stay before she entered the hospital. We have never seen this kind of behavior. No one ever shopped around under the old plan.

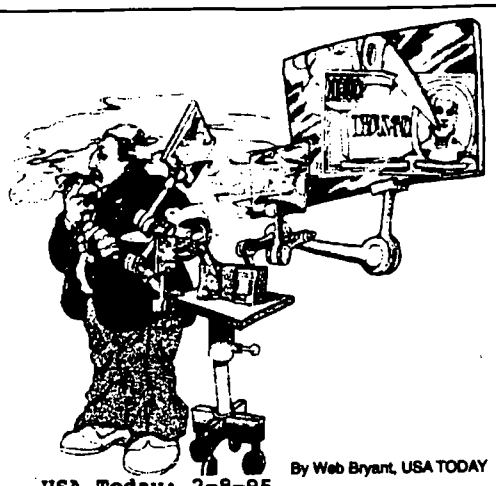
And to top it off, our insurance premiums have gone up 0 percent under either plan since 1993. We have controlled costs by giving our employees the money and turning them loose on the marketplace.

Fifth, employees get money back on their health insurance. They are rewarded for taking care of themselves. No one ever got any money back off their health insurance before. And letting the employees keep the money in an annuity as a "rainy day" fund is pretty popular. It can be used for medical expenses or saved for retirement or long-term care. Then the employees can roll the savings over into an annuity with 7 percent interest, if they choose. If the employee has rolled over as much as $1,000, now he or she has no out-of-pocket risk the following year: there is money set aside to take care of that risk.

Sixth, we have had newly departed employees pay their COBRA premiums — the cost of continuing health insurance coverage after leaving an employer — out of the MSA so they have been able to stay insured until they got on their new employer's plan.

In every sense of the word, our MSAs have been a wonderful success. We have been able to control costs, increase access to preventive care for our employees, and promote wellness without jeopardizing the quality of care.

J. Patrick Rooney is chairman of the board of Golden Rule Insurance Co., which has national headquarters in Lawrenceville, Ill.



By Web Bryant, USA TODAY

USA Today; 2-8-95

The fun is over in budget politics

Who will make hard choices now, not just assign hard choices to others?

With the release of President Clinton's budget, the real heavy lifting begins for members of Congress. The three weeks of debate about federal spending so far have been more about symbolism than substance. Now we will have a chance to identify those members who are willing to put our money where their mouths are.

The House and Senate, one after the other or sometimes simultaneously, have been debating a balanced-budget amendment to the Constitution, a line-item veto for the president and a ban on unfunded mandates to the states (demanded by state and local officials to protect them from the risks of a balanced-budget amendment).

C-SPAN watchers have been treated to dozens, even hundreds, of fiery and emotional speeches on the need for tough choices, on the moral imperative of a balanced budget, on the legacy we leave our children. In hearings and on talk shows, lawmakers have discussed whether the government can afford to continue funding public broadcasting, the arts and humanities.



By Norman Ornstein, resident scholar at the American Enterprise Institute.

But it has all been talk. And the talk about tough choices has itself been accompanied by pledges to do the opposite: to cut taxes by several hundred billion dollars, to increase defense spending and to exempt Social Security from any budget discipline.

The constitutional amendment now being debated in the Senate mandates a balanced budget starting in 2002 or two years after it is ratified — whichever comes last. It pushes the tough decisions off on lawmakers of the future. Many current members, including some freshmen who have limited themselves to six years in office, will never have to make those choices. Bringing the Constitution into the debate, rather than saying, "Stop us before we spend again," is, more accurately, saying, "Stop our successors before *they* spend again."

The idea that a constitutional provision will force lawmakers to vote for things that make their constituents scream in outrage is belied by the countless subterfuges and budget legerdemain used by states which have constitutional balanced-budget requirements — and which have separate capital budgets allowing them to go into debt even as they crow about their budget discipline.

All these actions push to the side the relentless, tough realities of budget arithmetic, made clear yet again by President Clinton's budget for 1996.

Add together Social Security, Medicare, Medicaid, military and civil service retirement costs, defense spending and interest on the debt, and you have 75% of the federal budget. Add in the other "entitlement" programs, including veterans' pensions, child nutrition, the earned-income tax credit and unemployment benefits, and you have 83% of the budget.

Everything else in government, from environmental cleanup to crime and drug control to education — including virtually everything that would be subject to a line-item veto — encompasses only 17% of the budget.

And that everything else is not the engine of budget growth. It has barely changed in the past few years and is already scheduled, under existing budget rules, to be held virtually steady for the next several years. Eliminate those high-profile programs for public television, the arts and humanities, and you have shaved the budget by the grand total of one-twentieth of 1%!

The bottom line: No deficit reduction, and no budget discipline, will be possible without serious cutbacks in the future growth of Medicare and Medicaid, the truly big-ticket items, and in the other entitlement programs the voters are loath to touch. And no long-term balanced budget is realistically possible without subjecting Social Security to the same scrutiny as other programs.

The litmus test for voters is not their lawmakers' votes on balanced-budget amendments or line-item vetoes; it is on specific budget program cuts in areas that have widespread and enthusiastic public support.

The president's budget for next year does not touch Medicare or Medicaid or do more than nick other entitlements. Medicare and Medicaid will go up by $30 billion — an 11% increase. Entitlements generally will rise by more than $55 billion. After taking flak for budget-cutting in his first two years, the president has decided to pass the burden, and the flak jackets, to Congress.

There are lawmakers on both sides of the aisle who have shown a willingness to talk the talk *and* walk the walk — House Budget Committee Chairman John Kasich, R-Ohio, and Sen. Bob Kerrey, D-Neb., among them.

Let's see how many of their colleagues will go along this year — and how many will be happy to vote for symbolism and leave the real choices to their successors.

Today's debate: HEALTH-CARE COSTS

USA Today; 2-8-95

Managed care can help curb Medicare costs

OUR VIEW **HMOs, with appropriate oversight, may be the answer to holding down health-care costs.**

At a moment when Congress is desperate to restrain the exploding Medicare budget — $178 billion next year — Tom Gibbons' story should be mandatory thinking material throughout the Capitol.

When Gibbons, a Los Angeles retiree and volunteer health-care adviser, became eligible for Medicare four years ago, he had no personal physician; no chronic illnesses. So he joined a Medicare-licensed health maintenance organization.

The decision limited his choice of doctors, but it would also save him hundreds — perhaps thousands — of dollars in premiums, co-payments and deductibles charged by the regular Medicare plan and the supplemental policies that go with it.

Gibbons' choice is increasingly common. Only a tenth of Medicare's 36 million recipients have opted for a licensed managed-care plan, but the number is growing. Officials expect a 20%-25% surge this year — a trend that is bound to help control Medicare costs, and which lawmakers should be eager to sustain.

Unfortunately, Gibbons represents the other side of the story, too. "I think I would rather have a choice of doctors," he now says. "I feel I'm a prisoner of the system."

That complaint illustrates the main challenge to Medicare today: How to attract beneficiaries to — and keep them in — cost-effective managed-care plans? Most distrust the system and its limited choices. They prefer Medicare's standard fee-for-service coverage and the patient control it allows, even though it costs them much more.

That preference is not necessarily best either for patient or taxpayer. Properly run managed-care plans — which control costs by negotiating low fees, coordinating treatment and eliminating waste — can provide better care at significantly lower cost.

The savings can be significant. Managed-care operators eagerly seek older Americans to enroll by offering lower out-of-pocket costs and even prescription drug coverage that Medicare doesn't provide. And they can do this even though Washington pays them just 95% of the Medicare's average local fee-for-service costs. Plainly, they find ways to curb costs.

Some operators no doubt save money by denying or delaying proper care. And others seek out only the healthiest subscribers. But the solution is easy enough: better federal oversight of managed-care plans, and better information for potential enrollees about available plans and the quality of care each provides.

Congress must be careful to answer the worries of older Americans, but careful also to propel them into managed care. It need not be a trauma. Even Tom Gibbons knows retirees who are happy with their Medicare HMOs.

And the truth is that, absent national health reform, managed care is the future of health care for all. Older Americans, accustomed to choice and uncomfortable with change, are nervous about this future, but they aren't divorced from it.

USA Today; 2-8-95

HMOs are wrong answer

OPPOSING VIEW **HMOs make money by holding down costs — and care. No, thanks. We're not interested.**

By Harry Schwartz

A health maintenance organization in my area is trying to enroll senior citizens like me who have Medicare. As a result, I've been swamped by a barrage of invitations to come have continental breakfasts where I would be exposed to the HMO's recruiters and their pitch.

The pitch, of course, emphasizes all the many goodies I would supposedly have if I signed the membership agreement.

What the sales argument omits is that a continental breakfast has the same relationship to a good old hearty breakfast that HMO membership has to decent medical care.

The U.S. government's effort to promote HMOs for Medicare patients goes back two decades to the days of Richard Nixon's presidency. To date it has been a fiasco.

Now the pressure has increased for Congress and the White House to get more steam into this drive.

Medicare costs are predictably rising as the number of older citizens increases, and the national debt sets new records every year. HMOs, so the theory goes, will cut Medicare expenditures.

Most older Americans avoid HMOs because they understand the first imperative for those organizations is to cut costs by reducing the amount of medical care given to members and sharply cutting free choice of doctors and access to specialists.

Seniors also intuitively grasp the first law of medical economics, which is that the ultimate economy in medicine is death, after which no operations are needed, no expensive consultants, nothing. But of course death is precisely what we seniors want our doctors to help us avoid.

The great danger is that increasing Washington pressure to cut Medicare spending will come ever closer to forcing senior citizens into HMOs.

Now the emphasis is on offering goodies like free eyeglasses, but tomorrow the weapon may be much greater charges for enjoying non-HMO Medicare.

There is still plenty of fat in the federal budget that can be trimmed if savings are really wanted. But seniors were promised first-class medical care when Medicare became law in 1965. HMOs don't supply first- or even second-class medical care.

Harry Schwartz, a retired New York Times *editorial writer, is now a free-lance writer specializing in medical and health topics.*

Wash. Times; 2-8-95

Social security and the balanced budget

By David Keating

During the Vietnam war, an American officer was quoted saying we had to destroy the village in order to save it. Now the U.S. Senate may apply similar logic when it votes on a proposal to add a huge loophole to the Balanced Budget Amendment, supposedly to save Social Security.

Although the Social Security system currently collects more in taxes than it spends on benefits, this will change early in the next century. If Social Security is exempt, the balanced-budget rule would quickly become worthless. Consider this: In the year 2050, this exemption would legalize an annual total budget deficit of over $2 trillion. That $2 trillion annual deficit will occur under current Social Security policies as today's children retire. This loophole would give Congress yet another excuse to stall any action to address these huge Social Security deficits.

The balanced-budget amendment simply requires that Congress take a three-fifths vote in order to pass a bill to borrow more money. Excluding Social Security sounds nice. But it would actually create a huge flaw in the amendment. As Congress chafes under the balanced-budget rule, it would likely use the Social Security loophole to fund other programs, leading in turn to the destruction of Social Security as it works today.

Congress would probably first add other programs that aid the elderly into Social Security. Obvious candidates include veterans' benefits and pensions, which total more than $20 billion a year. Supplemental Security Income, which is used to aid the elderly poor and costs over $25 billion a year, is another likely candidate. Then there is the approximately $175 billion in Medicare and Medicaid spending that benefits the aged. A portion of funds spent on the retired poor by Food Stamps, low-income home energy assistance, housing subsidy and other social service programs might be transferred to newly exempt Social Security trust funds. Some or all of federal employee or military retirement programs may also become part of Social Security.

A future Congress that wished to bypass the balanced-budget amendment could also, by a simply majority vote, authorize deficits as large as current Social Security spending. How? By reducing Social Security trust-fund taxes and revenues and increasing "operating" fund taxes and revenues by an equal amount. This has the potential to be as much as a $330 billion loophole, the current cost of the Social Security program.

It also increases the danger of granting further "exemptions" to the provisions of a balanced budget amendment. If Social Security is declared exempt, advocates of other causes — from highway builders to teachers — would demand their own exemptions. Or, Congress could simply begin funding everyday programs under the guise of "Social Security." Sound implausible? Who ever thought the Disability Insurance part of the Social Security System would pay benefits, as it does now, to young drug addicts and alcoholics who then use the money to sustain their habits?

There is nothing in the proposed exemption that would prohibit spending money from the Social Security trust funds for non-retirement programs. A future Congress and president that wished to circumvent the balanced-budget rule could do so simply by funding non-Social Security programs from trust fund accounts. A simple majority of Congress could thus effectively get around the balanced budget amendment and its limit on new debt.

In 1974, the federal debt was $483.9 billion. Today it's over $4.8 trillion, thanks to federal spending growth of twice the rate of inflation. Fifty-two cents of every personal federal income tax dollar now goes to pay interest on the national debt. Not only will interest begin to crowd out Social Security, but the continued buildup of debt will impair the ability of future taxpayers to refund moneys borrowed from the trust fund. Only an all-inclusive Balanced-Budget Amendment will force Congress to balance the budget and create a sound environment for the future of Social Security.

David Keating is president of the National Taxpayers Union Foundation.

USA Today; 2-8-95

Drug war on losing path

Something just doesn't make sense about the USA's drug war. It's like no one wants to win it.

Tuesday, the Clinton administration paraded out a new drug fighting plan for 1996. It proposes spending a record $14.6 billion — $1.3 billion more than this year.

Now, there's no doubt the nation has a whopping drug problem. One in eight Americans used drugs last year. Nearly 2.7 million are addicts. And the costs of that use and addiction are huge — $70 billion a year.

Nor is there any doubt that waging war on drugs makes sense.

What doesn't make sense is politicians clinging to a drug-fighting strategy that doesn't work.

Federal and state governments have spent $250 billion trying to "control drugs" in the past 15 years, with the bulk of the money going for law enforcement.

Yet casual use, after a brief dip, is now rising again. Adolescent drug use has been increasing since 1991. One in four pre-high schoolers now have tried drugs.

Hard-core drug use — responsible for two-thirds of all drug consumption — hasn't dropped at all. In fact, recent surveys indicate heroin addiction may be rising.

And violent drug-generated crime, especially among teens, has exploded.

Federally sponsored and private studies suggest treatment can curb those problems more cost effectively than putting extra money into law enforcement.

Treatment is $4,000 to $20,000 per person cheaper than prison. Treatment can eliminate a ton of cocaine consumption for a tenth the cost of interdicting a ton of cocaine supplies. And it can shave billions from Medicaid by saving up to 200,000 babies from being born addicted to drugs.

Yet, Congress refuses to change course.

When Clinton last year proposed putting an extra $355 million into treatment, Congress tore the plan apart, limiting Clinton to $57 million for such programs. The shredding was utterly bipartisan.

So, this year, Clinton increased law enforcement's share from 63% to 64%; and decreased funds for treatment, prevention and research from 37% to 36%.

And still, Congress appears dissatisfied. Preening for his presidential bid, Sen. Phil Gramm, R-Texas, says the Clinton administration drug policy "is still based on the blame-the-society-first approach to crime and punishment."

That's a great sound bite. But it ignores the facts.

And as long as politicians continue to do that, the nation will continue to lose the war on drugs.

PERSPECTIVE ON AFFIRMATIVE ACTION
L.A. Times; 2-3-95

Return the Focus to Redressing Wrongs Traceable to Slavery



The benefits intended for U.S.-born blacks are going to people of 'diversity' for whom they never were intended.

By R. RICHARD BANKS

Proponents of the proposed "California civil rights initiative" are correct that affirmative action has gone too far. The time for reassessment, they properly conclude, has come.

The problem, though, is not that we pay too much attention to racial categories, but that we pay too little. We lose sight of why race looms as such an ominous cloud over our society.

Most current applications of affirmative action represent a dramatic expansion of the policy's original impetus and stray from its most compelling rationale. In the process, affirmative action has alienated the public on whose support it depends. Indeed, affirmative action has lost its way.

The most compelling reason for affirmative action is to address the legacy of our nation's greatest shame: slavery and its aftermath, the black-white racial hierarchy that has most marked this country. As the condition of a large segment of black America attests, slavery's legacy has never been undone; its harms never redressed. The litany of woes verges on cliché: more black men in prison than in college, more black children with one parent than two, homicide the leading cause of death for young black men and so on.

Unfortunately, affirmative action's most persuasive rationale is now the least discussed. Historically rooted affirmative action has given way to "diversity," a concept whose broad net pulls in everyone from Pacific Islanders to the disabled to gay men and lesbians to recently arrived immigrants. Many affirmative-action programs, influenced by the diversity concept, now include groups scarcely considered when affirmative action was first implemented.

We have rejected the moral imperative to redress the injuries suffered by those whose ancestors endured slavery in favor of the dubious benefits of "diversity." Although rarely clearly articulated, the idea of the diversity movement is that all groups should be represented in American businesses and institutions. While this is not objectionable (of course all groups should have a chance), it ignores that historically some groups have been more excluded than others.

We have also strayed from affirmative action's historically rooted underpinning by making affirmative-action beneficiaries of blacks whose ancestors never bore the curse of slavery in the United States. A disproportionate amount of affirmative-action assistance goes to blacks who freely emigrated to America (or whose forebears did so) from Haiti, Guyana, Jamaica, Nigeria and a host of other African or Caribbean nations. Data on this, of course, is difficult to obtain due to the general clumping together of blacks, regardless of background or immigrant status. But anyone who has attended an elite college, graduate or professional school knows that immigrants and their progeny account for a shockingly high percentage of the black students. The same is true in careers such as law, medicine and engineering.

Granting affirmative-action benefits to Pacific Islanders or immigrant blacks does little to undo the legacy of slavery and systematic racial oppression. In fact, current formulations of affirmative-action programs blind us to the history with which we need to grapple and mislead us about the progress we have made. Prestigious universities that take pride in the numbers of black students they have enrolled would find their tallies much lower if those students whose ancestors weren't slaves were excluded.

Limiting affirmative action to indigenous blacks would also address the complaint that more affluent blacks frequently benefit at the expense of poor whites. As Thomas Sowell and others have noted, immigrant blacks earn substantially more than indigenous blacks.

Rather than decry affirmative action and bellow about the evil of racial preferences, we should recast it to benefit those who bear the brunt of the past. Only then will we have begun to fashion a society in which those historically victimized no longer remain so.

R. Richard Banks is a lawyer and writer in San Francisco.



TED RALL, San Francisco

Chgo. Trib.; 2-7-95

A wife, a husband cigarettes, chemo, hair loss, pneumonia, . . .

By Susan Gilbert McGuire

I smell the cigarette smoke as it wafts through the air and I freeze, consumed with as much fear as if the smoke was a man with a gun on a dark street. I back away instinctively. The smoker walks toward me. I am trapped by courtesy.

"I'm sorry to hear about your husband," he says, inhaling, sucking down that smoke, holding it deep in his lungs and exhaling just above my head.

My husband was diagnosed eight months ago with metastasized lung cancer. He had smoked heavily but quit five years ago. I'd hoped he would escape the same disease that killed my grandfather 20 years ago when I was a teenager. My loathing of cigarettes began as I watched my 250-pound grandfather waste away to 136 pounds in one year. Two years later my first boyfriend fell asleep smoking and died of smoke inhalation during a fire so intense that his body had to be identified from dental records.

The following two summers, between college semesters, I was a tumor registry clerk at a Chicago hospital. I read and recorded the medical charts of cancer patients. The doctors' notes usually read, for cancer patient after cancer patient: smokes cigarettes.

Since the diagnosis, my husband has had chemotherapy and radiation therapy; his right lung and nine cancerous lymph nodes surgically removed; more chemotherapy; hair loss; pneumonia; surgery to remove fluid from around his heart; and a 44-pound weight loss from his perfect, muscular body.

I cry at the thought of what he endures.

The first chemotherapy effects are minimal compared to what we expect. He is tired for a few days after each treatment. That's it. We are grateful.

As weeks pass the toxicity increases. He grows weaker. His appetite ceases. His weight drops. He coughs up blood clots as the tumor craters from the radiation.

Our friends and family call and visit—robust, healthy, busy people who envelop us in their hearts and remind us how our lives have changed. Our careers and the identities they once gave us faded. Our job now is to keep him strong. The world of doctors adopts us. Nurses, hospital staff and doctors know us by name and greet us with the same familiarity that we both once felt in our careers. Their compassion helps us to forget, for a few moments, why we are a part of their world.

"You'll wake up one morning and your hair will have fallen out on your pillow," a nurse warns my husband. Instead, when he showers, his hands full of his salt-and-pepper hair fall out and swirl with grim finality down the drain. He refuses to buy a wig or wear a baseball cap.

One night when he is strong enough to go to a restaurant for dinner, he says, "People stare at me like I'm a sick guy. Like I'm dead already." As I protest, he replies, "They look at me the way I used to look at sick people. I was happy it was them and not me. Now I'm one of them. "And everyone asks if I smoked. Yes. Yes. Yes. It's the most stupid thing I've ever done in my life."

"But you did quit," I say, trying to counter his negative thoughts.

"Not soon enough."

Tobacco-related diseases allegedly kill one person every 13 seconds. But there are even more victims. How many tens of thousands of tragedies wouldn't have happened if cigarettes did not exist. How many children weren't born because a smoker died early. How many children can't afford college because a family's financial future was destroyed when a parent died prematurely from cigarette-related cancer. How many widows and widowers would not be alone. How many new smokers around the world start smoking because Hollywood still portrays "cool" by having stars smoke cigarettes on screen. This is a lesson that should have been learned by the deaths of Humphrey Bogart and Gary Cooper, who both died from smoking-related cancers 35 years ago. Death is forgotten in a haze of new stars with half-closed eyes and voluptuous lips pursed lazily around a cigarette that is photographed to look like a tool of eroticism.

The day my husband is scheduled for more tests at the hospital coincides with the "Great American Smokeout"—the day when millions of people try to kick the habit. As we drive to up to the hospital three employees stand outside the main entrance, smoking and laughing despite the wind and rain. So bad are their addictions, so effective the tobacco industry's claim on their lives, that they stand outside in the cold to smoke.

I wonder about the losses their deaths would create in the lives of their families. As they inhale that smoke deep in their lungs, do they wonder if they'll die decades before old age? They would if they'd spent the last eight months with my husband.

Wash. Times; 2-8-95

A record of failure in drug treatment

By William J. Bennett and John P. Walters

"[W]e should deal with the drug problem in a far more heads-up manner than we are now with two things. Number one, treatment on demand without delay. . . . The second thing we ought to do is find an alternative for first-time drug offenders."

— Bill Clinton, address at Georgetown University, December 12, 1991.

Today's addicts are the most visible casualties of both the permissive culture and the drug fad of the late 1960's, 70's, and early 80's. These addicts have moved up in the ranks from casual users. They are largely aging, never married, and predominantly male. Most commit crimes — including selling drugs — as a means of income to purchase drugs. They are also largely concentrated among blacks and live in our inner cities. While these addicts constitute the single largest demand for heroin and cocaine in the United States, they also use a variety of other drugs (particularly marijuana) and alcohol.

The overwhelming reaction to this problem has been a call for more drug treatment. "Treatment on demand" is the preferred weapon of many in the drug fight. In fact, many liberals have argued the rational and humane response to drug addiction is to shift resources from drug enforcement and supply reduction to drug treatment.

There are a number of very sophisticated and very effective drug treatment programs (many of which we visited), including very modest ones sponsored by churches and using variants of the 12-step method. These are often every bit as effective as much more expensive and elaborate programs. But the typical discussion of drug treatment in the press and by the government reflects a dangerous ignorance of the most basic facts.

First, the government treatment bureaucracy is manifestly wasteful and ineffective. From fiscal 1988 to fiscal1994, federal drug treatment spending almost tripled. At the same time, however, the number of treatment slots remained virtually unchanged and the estimated number of people treated actually declined by 145,000. Why? As with much of government, it is because the bureaucracies have consumed more and more of the resources, leaving less and less for services.

Bureaucratic waste and inefficiency aside, the number of addicts served per year, measured in terms of persons served per year, is equivalent to more than half the total estimated number of cocaine and heroin addicts. Clearly, when given the chance, the bulk of these programs are not that successful.

A substantial number of addicts have attended several treatment programs. The real-world fact is that many treatment programs are simply not effective. In addition, federal treatment funds continue to be distributed largely on the basis of population, even though we know that addicts are concentrated in our major cities. And there has been no effort to ensure that addicts are placed in appropriate programs. Today, outpatient treatment slots predominate when most experts argue that the only reasonable hope of successfully treating today's hard-core addicts is to place them in long-term, residential treatment. Bush Administration efforts to make programs accountable — to cut off support to those that did not produce results, and match resources with the need — were not enacted by the Democratic leadership in Congress. And the Clinton Administration has abandoned all such efforts.

In last year's crime bill large sums were offered for drug courts. These provisions were highlighted by liberals who announced that they were being "smart and tough." The model, and essentially the justification, for this funding was the Miami Drug Court and Attorney General Janet Reno's personal involvement with it as a prosecutor. But last August, as the crime bill fight was near its peak, the Miami Herald published a lengthy report raising serious questions about the effectiveness of the program. In particular, the program established to divert first- and second-time drug offenders into treatment instead of prison was being used by robbers and burglars to serve as little as 45 days. And in December the Herald reported that the chief judge overseeing the Miami drug court order an audit of the entire program, expressing alarm that it "had no mechanism to measure whether it was succeeding." A central flaw in the rush to embrace drug courts as a major answer to addiction and crime is that a very large number of addicted offenders today are long-term, hard-core addicts who are poorly suited for diversion program. Drug courts, properly run, may hold promise for treating young addicts. But young addicts are not the primary problem.

Last year, two groups of studies were released that purport to demonstrate the effectiveness of drug treatment and its superior cost-effectiveness to all other categories of drug-enforcement and supply control. One, funded by the California Department of Alcohol and Drug Programs, received attention for its conclusion that treatment "averages [a] $7 return for every dollar invested." But it included both alcohol and drug addiction and was thus too broad to be enlightening in regard to the cost-effectiveness of treating cocaine, and particularly crack, addiction — the most destructive addiction threat today. None of the sympathetic news reports noted that such "benefits-to-society-for-every-dollar-invested" studies for expenditures on prisons and jails have produced estimates as high as 17-to-1.

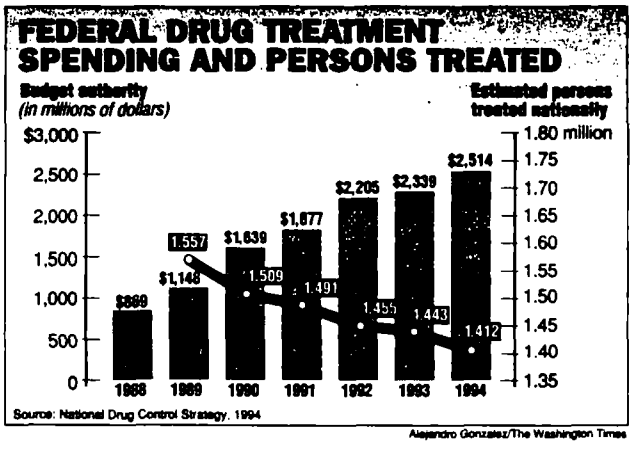
A second, widely-reported study, was funded in part by the White House drug office, and conducted by the RAND Corp. It was entitled "Controlling Cocaine," and concluded that "treatment is seven times more cost effective in reducing cocaine consumption than the best supply control program." Most of the press reports on the release of this study failed to mention that even Clinton Administration drug office officials participating in the release distanced themselves from the reliability of the methods RAND used to measure the effectiveness of supply control programs. And to our knowledge none of the press reports explained what the study actually found in regard to the effectiveness of programs treating cocaine addicts.

In reviewing all forms of cocaine treatment, RAND found that 20 percent of addicts continue using drugs while in treatment and only 13.2 percent of the cocaine addicts treated reduce their drug use below weekly or more frequent use (what RAND defined as "heavy use") during the year following their treatment. Overall, RAND reported, only "6 percent of heavy users leave heavy use each year [i.e., to something less than heavy use, not to be equated with no use]. About two-thirds of that out flow is apparently due to existing treatment programs . . . [and] one third of the total annual outflow from heavy use is estimated to be due to unassisted desistance from heavy use."

In other words, overall, cocaine treatment is only 4 percent effective in reducing heavy use and only two percent more effective in reducing heavy use than no treatment at all. Needless to say, if the effectiveness of cocaine treatment were measured in terms of the percentage of addicts who stopped using cocaine altogether and for good, these numbers would be much, much smaller.

While we should continue to support treatment programs, we need to face the harsh reality of cocaine and crack addiction: most addicts are likely do die from the effects of their addiction, sometime in their 40's, if not earlier. This is yet one more compelling reason why preventing casual drug use by young people — the first step on the path to addiction — is so important.

As long as the drug problem is discussed in terms of treatment vs. enforcement or supply vs. demand, it will remain fundamentally misguided. These dogmatic positions are at odds with both reality and common sense. An effective drug policy should begin with this assumption: as long as young people and those who receive treatment reside in communities where the supply of dangerous, addictive drugs remains plentiful — i.e., where there is de facto legalization — prevention and particularly treatment efforts will be severely undercut and for purposes of national policy, ineffective.



William J. Bennett is co-director of Empower America and former White House drug policy director during the Bush Administration. John P. Walters is president of the New Citizenship Project and former deputy director of drug policy during the Bush Administration. This is the second of four articles.

N.Y. Times; 2-8-95

Stop the Dishonest Debate on Social Security

To the Editor:

With all the palaver in Congress and the media about whether or not to help balance the budget by invading Social Security trust funds, a few crucial points are rarely mentioned.

Such a proposal is not only socially outrageous, but also based on at least two deceptions: one, Social Security benefits help create the deficit. This is false, for its trust funds have generated a surplus of receipts over expenditures of between $46.2 billion and $53.5 billion for each of the past three years; thus it was reducing, not increasing, the deficit.

The second deception is that the tax itself is fair, since all pay the same rate. It is the most regressive of all Federal taxes, and high-salaried executives get away with murder. If Congress is genuinely concerned about the deficit and the future solvency of the Social Security fund, it could easily generate far more revenue by ending the way the tax protects the well-off.

Most people earn salaries well below $60,000 and pay Social Security tax of 7.65 percent on their full salary. But this tax cuts off on salaries above $61,200, so that the maximum tax remains $4,681.80.

If your pay is $100,000, you pay only 4.7 percent; if it is more than $200,000, your rate goes down to 2.3 percent. A chief executive officer who is paid $1 million, as many are, pays a tiny one-half of 1 percent: $4,681.80 divided by $1 million!

That is the most outrageous loophole in the entire revenue code. My estimate of the additional revenue the Treasury could bring in by ending this outrageous loophole is more than $100 billion, from the increase in employee plus employer tax. That's nearly half the whole budget deficit! ARNOLD J. OLENICK

Cambridge, Mass., Feb. 1, 1995

The writer is a financial and management consultant.

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A Tax on the Young

To the Editor:

Re "Everybody's Nest Egg" (Op-Ed, Feb. 1): James Gollin states that the Social Security system has no overt opponents. It does. PAC 20/20 registered with the Federal Election Commission on Jan. 6 as a nonconnected committee dedicated to raising money to support the reform of the inherently flawed system.

PAC 20/20 is committed to the idea of Social Security; however, we cannot accept it in its current form: a pyramid scam being perpetrated upon younger Americans.

Mr. Gollin's optimism that the total income of the American people will increase so significantly that Social Security taxes will continue to sustain the number of recipients is unfounded. He provides no evidence that the work force or incomes will increase over the next 30 years.

Indeed, early in the next century the population is expected to increase by only 2 percent, compared with a 30 percent increase in the number of retirees.

Further, the life expectancy of Americans is expected to increase, leading to increased health care costs in addition to a longer period of Social Security receipt.

Social Security is neither pension nor trust fund, but a tax on the young and represents government redistribution of wealth in purest form. It was intended to keep senior citizens from falling below the poverty line, not to subsidize affluent retirees.

CHRISTIAN ANDRÉ-ALBERT KLEIN
P. MATTHEW GILLEN
Washington, Feb. 2, 1995

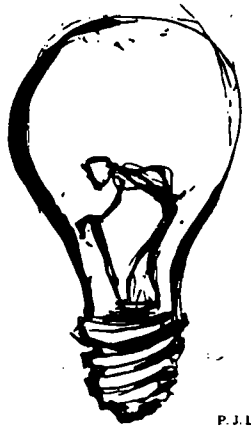
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Dr. Townsend's Plan

To the Editor:

James Gollin (Op-Ed, Feb. 1) pays tribute to the perspicacity of Dr.



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Francis E. Townsend without naming him. Truth is, Dr. Townsend's name is usually skipped, even though President Franklin D. Roosevelt acknowledged his role in the passage of the Social Security Act.

Among the unsung advantages of Social Security on Mr. Gollin's list are creation of millions of jobs by easing older people out of the work force; and generation of a huge amount of economic activity by the $292 billion in benefits.

On Sept. 30, 1933, Dr. Townsend, a penniless country doctor in Long Beach, Calif., wrote a letter to his hometown newspaper after watching in horror three elderly women rooting through his garbage can. In his letter he outlined what became known as the Townsend Plan, a unique idea to use old-age payments as a Depression buster.

"I suggest," he wrote, "that the national government retire all those who reach (the age) of 60 on a monthly pension of $200, on condition they spend the money as they get it."

In an economy with 25 percent unemployment, he figured this would create 12 million jobs for younger workers and circulate "two to three billion in fresh money each month."

In less than two years Dr. Townsend's letter had erupted into a club membership of almost three million. The club was powerful enough to attract harsh criticism from leading economists, including Paul Douglas (later a Senator) and even Winston Churchill, who observed archly in Colliers magazine: "The Townsend Plan is an attempt to mint the moonlight into silver and coin the sunshine into gold."

In August 1935 Congress hurriedly passed the Social Security bill proposed by F.D.R. It was the Townsend Plan on the cheap: $10 a month to people 70 and over.

Frances Perkins, then Secretary of Labor, wrote later that President Roosevelt had told her: "We have to have it. The Congress can't stand the pressure of the Townsend Plan unless we have a real old-age insurance system."

Mr. Gollin validates the two premises in the 60-year-old letter by Dr. Townsend, who has earned one of those slots in history reserved for myopic visionaries whose ideas live long after their creators' names have been forgotten. PHIL WILLON

Palos Verdes Peninsula, Calif.
Feb. 3, 1995

N.Y. Times; 2-8-95

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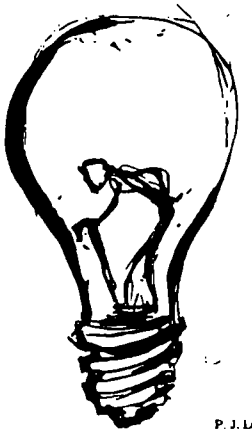
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Palos Verdes Peninsula, Calif.
Feb. 3, 1995

USA Today; 2-8-95

Poor people can't work if jobs aren't available

In his Opposing View, "Give states free rein," Sen. Phil Gramm suggested that "some folks still don't get it," referring to the "true believers" who "continue to look to Washington to solve our welfare problem" while ignoring the extraordinarily creative reforms launched by states (Editorial Debate, Thursday).

That same week, a lead story on the *McNeil/Lehrer Newshour* referred to the belief of economists that full employment is not only impossible in our market-based economy, but that the current rate of unemployment is too low and must rise.

Given these beliefs, some of the state welfare programs mentioned by Gramm are indeed "extraordinarily creative." The program in my home state of Washington requires a 30-day job search before anyone can collect an Aid to Families with Dependent Children check.

If the economists are correct, most of these families will spend an intense 30 days looking for jobs that don't exist. Gramm is right; some folks still don't get it.

Martin Smith, South Australia, Australia

Wash. Post; 2-8-95

Protection for the Terminally Ill

Albert Crenshaw's Cash Flow column "Accelerated Death Benefits Could Become Tax-Exempt" [Business, Jan. 22] omits a number of critical points in its comparison of the insurance industry and the newer viatical industry.

While it is certainly true that both insurance and viatical companies advance the terminally ill cash payments from their life insurance policies, the similarity ends there. Life insurance is heavily regulated in all 50 states. The viatical industry claims it is part of the insurance industry. But let there be no confusion—viatical companies are not insurance companies, and only eight states currently regulate the viatical industry.

Perhaps most important, the viaticals claim to pay policy holders more. Such a statement is deceptive at best. At a recent House Ways and Means Committee hearing, the viatical industry testified that the average payout is between 65 and 70 percent of face value. That is a 30 to 35 percent profit margin for the viatical companies. Most insurers only retain a small percentage of the proceeds to cover inflation.

While it is true that some insurance companies only allow a certain percentage of the policy to be accelerated, the remainder of this is reserved as a death benefit so the beneficiary/policyholder generally receives 90 to 95 percent of the face value of the policy.

I introduced the very first legislation in the area more than five years ago, and since that time we have uncovered a myriad of problems. In the early years, there were stories about viatical companies cruising hospital wards and payouts of only 55 percent. Today we hear about the terminally ill being forced to bid viatical companies against one another and some insurance companies are buying viatical companies and paying only 70 percent.

Legislation I introduced, regulations issued by the Bush administration and legislation proposed by President Clinton would establish maximum discounts such that the terminally ill would be ensured of receiving roughly 95 percent of the proceeds. These rules would provide basic consumer protection and were in response to these very real problems in the marketplace. The Republican "Contract With America" contains no such protection.

Accelerated death benefits enjoy broad bipartisan support, but we should ensure that the terminally ill aren't taken advantage of by the profiteers.

BARBARA B. KENNELLY
U.S. Representative (D-Conn.)
Washington